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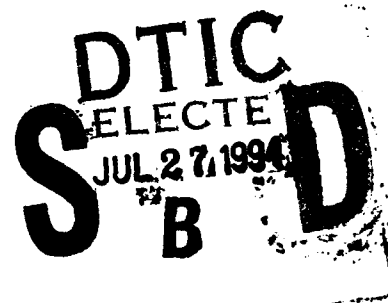
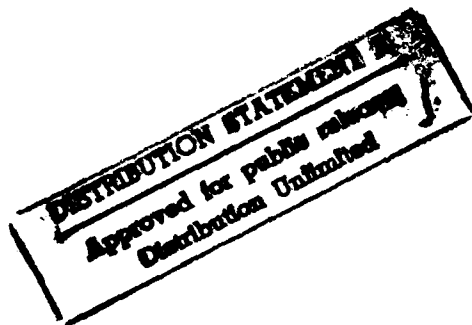
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RAND

*New Political Realities
and the Gulf*

Egypt, Syria, and Jordan

Mary E. Morris



Project AIR FORCE
Arroyo Center

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Mary E. Morris

*Prepared for the
United States Air Force
United States Army*

**Project AIR FORCE
Arroyo Center**

Preface

This report assesses the relationships between three key Middle Eastern states—Egypt, Syria and Jordan—and the Gulf following the 1991 war with Iraq. The report examines the current status of these countries and highlights points of vulnerability in each state that could lead to future internal and regional instability affecting the Gulf. Other regional reports developed in this project assess the Arab Gulf states themselves (including Iraq) and Azerbaijan and the Central Asian countries.

The overall project objective is to provide a political-military assessment of security prospects in the Gulf over the next several years, challenges the U.S. military is likely to encounter as it supports U.S. national objectives in the region, and the implications for future U.S. security planning.

The report is one of a series of publications documenting work on the Future Security Requirements for the Gulf study. The material recorded here should be of interest to regional analysts, contingency planners, and policymakers. This study was conducted jointly under the Strategy and Doctrine program of Project AIR FORCE and under the Strategy and Doctrine program of the Army Research Division's Arroyo Center. Project AIR FORCE and the Arroyo Center are two of RAND's federally funded research and development centers.

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Summary

This report explores the place of Egypt, Syria, and Jordan in the framework of regional security in the Middle East and of the Gulf region in particular. It assesses how events of the recent past have altered or intensified the problems that each state faces internally and externally and discusses the long-standing relationships and dependencies between these countries and the Gulf states. It examines ways in which potential instabilities in the states of the Levant could spill over into the Gulf region, threatening not only Gulf security but also United States interests there.

The Gulf War and the disintegration of the Soviet Union have led to changes in alliances, allegiances, and the regional balance of power in the Middle East. These changes will have long-term implications for regional security, as well as for United States policy decisions in the Middle East and the Gulf. Continued global dependence on oil requires a degree of local political stability to ensure access. Political stability in the oil region is, in turn, inextricably linked to stability in the remainder of the Middle East. While the traditional economic, religious, and security interdependencies of the Levant and the Gulf endure, challenges to those interdependencies have emerged that can pose threats to Gulf security. These challenges include the increasing influence of radical Islam on politics, economic dislocations, mounting systemic pressures, and increasing resentment of Gulf states, as well as a growing divergence of interests. The opening of negotiations between Arabs and Israelis has also contributed to an atmosphere of regional uncertainty. The prognosis for at least the short term in the Middle East is for an uneasy calm, punctuated by periods of conflict, that masks inherent and unresolved instabilities.

The Dynamics of Change

While the Gulf War affected all Middle Eastern states, the most serious impact outside the Gulf itself was on Egypt, Syria, and Jordan.¹ These three states of the Levant have been linked to the Gulf in the past by political, economic, social, and religious ties. These ties will continue into the future. Together, these states

¹ While other Middle Eastern states, such as Israel, were affected by the war, its long-term effects are not likely to be as significant as for Egypt, Syria, and Jordan.

perceive common threats from external powers; separately, they are often each other's enemies. The regional balance that is eventually achieved will depend to a great extent on the interplay among these actors.

With the withdrawal of Soviet influence from the Middle East, followed by the physical breakup of the Soviet empire, Middle Eastern states no longer have the option of playing one superpower off against another. This places the United States in an unprecedented position of influence, but also carries with it the burden of regional expectations of U.S. assistance. Many of these expectations may be beyond the capabilities of the United States to fulfill—or may not be in the interest of the United States at all.

The U.S.-sponsored Arab-Israeli peace talks are also likely to affect regional relationships in both the near and long term. Both Arabs and Israelis come to the peace table with strikingly different perceptions of both the basic issue—land versus recognition—and the history of the past forty years. At the same time, the course of the negotiations is of great importance to the regimes of the countries participating in the peace talks. They must guard against their populations expecting too much in the way of benefits from peace. The result could be a backlash, led by radicals and fundamentalists, against current pro-Western, pro-peace, positions.

Egypt, Syria, and Jordan

The three states on which this report focuses share striking similarities and exhibit profound differences. All are "have-not" states, in contrast to the oil-based wealth of the Gulf. They are for the most part resource poor, with expanding populations, increasing unemployment, and growing stresses on infrastructures. In all three states, there is increasing resentment of the Gulf states. Additionally, in at least two of these states, Egypt and Jordan, political Islam continues to gain adherents and influence politics.

Each state, however, faces specific challenges to its future stability. These challenges include the following:

- *In Egypt:* massive economic and bureaucratic problems, and growth in the number and influence of political Islamists. Unrest in Egypt could influence unstable elements in the Gulf, especially if economic, military, and political ties between the Gulf and Egypt are enhanced. Egypt's desire to reassume the mantle of Arab leadership may also face opposition from a newly assertive Saudi Arabia.

- *In Syria:* questions over the benefits of continued Western orientation, as well as concern over a successor to Assad. A change in Syria's current moderate course, especially if coupled with a closer alliance with Iran, could alter the fragile balance of power in the Gulf region and could pose both political and military threats to Saudi Arabia and the other Gulf states.
- *In Jordan:* economic crisis, political isolation, and maintaining equilibrium among Palestinians, Islamists, and nationalists. Its demography and its geostrategic position place Jordan at the mercy of external political and economic events, heightening the risk of internal instability that could potentially affect all states in the Middle East, including the Gulf.

U.S. Interests and Influence

The Gulf War involved the United States in the future of the Middle East to an unparalleled extent. The Soviet withdrawal of influence and the active U.S. participation in the Arab-Israeli peace process also tie the United States more tightly to the Middle East. It will become increasingly difficult for the United States to extricate itself from this region. Nor is this a truly viable option: The United States will continue to have interests to protect in the Middle East, particularly in the Gulf, for the foreseeable future.

America's primary interest in the Middle East is a pragmatic one: oil. The United States now imports close to 32 percent of its imported crude oil from the Persian Gulf, and this figure appears to be rising. An additional interest, reaffirmed by every U.S. administration for over forty years, is the preservation of Israel's national integrity. Further, U.S. bonds with individual Arab states, in particular Saudi Arabia, Turkey, and Egypt, have increased over the years. Special understandings and agreements with both Saudi Arabia and Kuwait after the Gulf War have bound the United States closely to the preservation of security in the region. While U.S. ties with the Middle East are primarily political and military, there are increasing trade and debt links that could be affected by regional instabilities.

These increasing links mean that it is to U.S. advantage to seek out ways to help stabilize the Middle East. Recognizing available levers of influence implies an understanding of the context in which regional threats arise and a clear perception of the interconnections of Middle East politics. Historical political, economic, cultural, and religious linkages endure among the states of the region, creating a pattern of dominance and dependency that continues to shape the Middle East. The resource-poor states of the Levant, for example, have depended heavily on the richer Gulf states for financial assistance, while the

underpopulated oil states of the Gulf have depended on the manpower resources of the rest of the Arab world to staff their industries, work their oil fields, and teach their children. Additionally, Saudi Arabia's position as religious center of the Arab world, and to a large extent the legitimacy of the Saudi regime, depends on the perceptions of the rest of the Arab world that the House of Saud is deserving, morally and politically, of this leadership position.

Because of the interconnections of Gulf and non-Gulf states on political, economic, social, and religious levels, instability or internal upheaval in Egypt, Syria, or Jordan can threaten Gulf security. These states are too closely linked to isolate themselves from the spillover effect of strife in neighboring states. A breakdown in Jordan, for example, could have wide ramifications for the regimes of all of its neighbors, not least because of the large percentage of Palestinians in Jordan. A Jordanian upheaval that resulted in either a radical fundamentalist or a radical Palestinian government would be extremely threatening for neighboring Saudi Arabia.

The security of American interests—specifically, its access to oil—must thus be considered a hostage not only to the fortunes of Saudi Arabia and the Gulf, but to the future course of events in the Middle East as a whole. It is in the American interest to work toward improvement in the regional environment by way of exerting influence and taking actions in those areas where the United States has potential leverage.

The United States, both alone and in concert with other nations and such organizations as the United Nations, has a number of tools with which to assist the states of the Middle East toward resolution of economic, political, and military problems. These tools include economic assistance on both the public and private levels, political and diplomatic influence, control over arms transfers, and moral suasion. The development of effective policies depends on an understanding of root causes of conflict, judicious assessment of conflict resolution measures, and the will to effect change in areas where the United States can reasonably expect to influence outcomes.

While there are many situations that the United States can affect only marginally—internal problems deeply rooted in tribal, religious, or cultural patterns and behavior, for example—in other cases the United States can offer technical assistance, education, diplomatic support, and some limited economic assistance, either at the government level or through private industry. In yet other cases, U.S. assistance, of whatever kind, should be overtly conditional, i.e., linked to changes in behavior on the part of regional states in return for U.S. support. Syria is an example: The United States can demand an end to Syrian

state support of terrorist groups and individuals, such as Abu Nidal, in return for removing Syria from the list of states sponsoring terrorism. While reducing terrorist threats to both the region and the world, Syria would achieve the increase in international status that it desires.

At the same time, each Middle Eastern state labors under constraints, both external and internal, that can complicate their reception of U.S. support as well as their taking reciprocal actions. In Egypt and Jordan, for example, the Muslim Brotherhood attracts a significant number of followers. This group, largely anti-Israel and anti-West, can make it difficult indeed for regimes to cooperate with the West in terms of extending participatory government, dealing with Israel, or achieving arms control agreements. Also, many Arabs may see requirements for governments to make major changes in their political and economic processes to receive American support as neocolonialism and extraregional interference. No Arab state wants to be seen by its sister states as a tool or client state of the West.

Each country in the Middle East has political objectives and interests of its own, and entrenched regimes may be quite resistant to tactics that attempt to bypass them. There is also the possibility that a transition to popular participation may produce regional policies and rulers that are inimical to U.S. interests, such as the integrity of Israel or access to oil. Additionally, it is quite likely that democratization will lead to short-term instability and to a winnowing-out process within state political systems. Because of the high value we place on stability in the Middle East to safeguard petroleum supplies, it may be most difficult to refrain from interference in the internal dynamics of individual states. This places us in a dilemma consisting of both political and moral questions, if not also military ones.

By using multiple approaches to address the problems of the Middle East, by understanding regional problems in their context, and by judiciously choosing issues on which the United States can have the greatest impact, U.S. policy initiatives can address causes of instability rather than symptoms. The protection of U.S. interests in the Gulf will be a natural outcome of a stable region.

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Any errors are, of course, the responsibility of the author.

1. Introduction

The Gulf War and the disintegration of the Soviet Union have led to changes in alliances, allegiances, and the regional balance of power in the Middle East. Whether these changes will be enduring or whether they will give way to traditional patterns and rhythms is yet to be determined. Regardless of their endurance, however, the consequences of the war and the Soviet breakup will have long-term implications for regional security, as well as for U. S. policy decisions in the Middle East. Continued global dependence on oil rests upon a degree of local political stability to ensure access. Political stability in the oil region is, in turn, dependent on stability in the remainder of the Middle East.

Historic political, economic, cultural and religious linkages endure among the states of the region, creating a pattern of dominance and dependence that continues to shape the Middle East. The resource-poor states of the Levant, for example, have depended heavily on the richer Gulf states for financial assistance, while the underpopulated oil states of the Gulf have depended on the manpower resources of the rest of the Arab world to staff their industries, work their oil fields, and teach their children. Additionally, Saudi Arabia's position as religious center of the Arab world, and to a large extent the legitimacy of the Saudi regime, depends on the perceptions of the rest of the Arab world that the House of Saud is deserving, morally and politically, of this leadership position.

In the wake of the seminal events of the last two years, regional challenges to these traditional dominations and dependencies have emerged that can pose threats to existing Gulf regimes. These challenges include the increasing influence of radical Islam on politics, economic dislocations, mounting systemic pressures, and increasing divisions with and resentment of Gulf states. The prognosis for at least the short term in the Middle East is for an uneasy calm, punctuated by periods of conflict, that masks inherent and unresolved instabilities.

The Gulf War resulted in both winners and losers among the Arab states. Egypt, for example, completed its transition from outcast to leading player in Arab and regional affairs. For Syria, the war brought an opportunity to halt the economic decline and military erosion caused by withdrawal of Soviet patronage. In addition, the war provided Syria the opportunity to consolidate its gains in Lebanon. For the losers, however, particularly Jordan and the Palestinians, the

Iraqi defeat meant political ostracism and economic disintegration.¹ How the winners deal with the losers is a near-term concern that can have significant impact on the future of individual countries and the stability of the Gulf and the Middle East as a whole.

Some of the most significant changes of the past two years have occurred in Egypt, Syria, and Jordan, and in their relationships with the Gulf states. Egypt has conclusively emerged from its isolation following Camp David and has resumed a central position in Middle Eastern politics, its pivotal position enhanced by virtue of its political posture and military participation on the allied side. Syria, pursuing a course of apparent moderation, participated in the anti-Saddam coalition as well, and by so doing secured a voice in regional matters. Syrian participation is also a key factor in pursuing an Arab-Israeli peace. The Gulf Cooperation Council's March 1991 plan to station large numbers of Egyptian and Syrian troops in the Gulf as part of a Gulf security force, while not yet formally laid to rest, is in all probability now defunct. This would have been a major change in Gulf policy, entailing major adjustments in strategic thinking and analysis for this region. At this writing, however, the original plan has undergone several permutations, including one that would involve an Egyptian, but no Syrian, military presence in Kuwait,² and a later plan to station 3,000 Egyptian and 3,000 Syrian forces in the Gulf as an appendage to a Gulf Cooperation Council (GCC) force of 100,000.³ Even this plan now appears to have been too ambitious, as Gulf states continue to exhibit ambiguity toward non-Gulf Arab states.⁴ Another scheme for a bilateral defense cooperative pact between Kuwait and Egypt, however, may yet survive. Originally proposed in May of 1991, the most recent version of the Kuwait-Egypt pact covers such subjects as joint training and maneuvers, exchange of expertise, and coproduction of military equipment.⁵

An Egypt-Kuwait or a scaled-down GCC-Egypt-Syria agreement could have long-term effects on relations between the Gulf and Levant, as well as on the regional balance. However, such an agreement would still leave many Egyptian

¹The Iraqi situation will be treated in a separate study in this series of reports.

²Melissa Healy, "Egyptian Troops to Stay in Kuwait," *Los Angeles Times*, June 3, 1991, p. 1.

³"Agreement on Gulf Security Force," *MEED*, June 28, 1991, p. 13.

⁴Syrian troop deployment during the Gulf War may have played a role in the demise of the "GCC + 2" plan. First, Syrians refused to fight within Iraq itself. Second, the Syrians dispatched to the Gulf crisis a regiment of Special Forces troops whose normal mission in Syria extends beyond counterinsurgency operations to the suppression of internal dissent. The appearance of these forces in the Gulf raised the unwelcome prospect of Syrian involvement in local affairs and seemed to corroborate rumors that Syria was linked to the repression of Palestinians in Kuwait in the post-war period. (See "Assad's Uncertain Future," *The Middle East*, May, 1992, p. 10.)

⁵*Sawt al-Kuwait*, quoted in *Mideast Mirror*, May 1, 1992.

and Syrian expectations unfulfilled. At this writing, neither Egypt nor Syria has received the level of support they expected from the Gulf states, nor are there any real prospects that earlier expectations will be fulfilled. The disappointment of these expectations could have serious implications for the future because of the prominence Egypt and Syria achieved during the Gulf crisis.

There are already perceptions that the Gulf states have reneged on a deal and shown disregard for Egyptian and Syrian support, as well as for the future of Arab cooperation. This has the potential for widening existing rifts between the Gulf states and the Levant. More seriously, it could lead to the creation of a vacuum, perhaps putting the Gulf states at risk of a Syrian-Iranian axis, should Iran retreat from its current policy of seeking accommodation with both Gulf and Western states. Iran's recent moves toward the West, like Syria's, are pragmatic and serve both economic and political objectives, as Iran seeks to rebuild its shattered economy and restore its political standing. It is not, from existing evidence, an ideological change, however, and thus may be subject to revision if the political climate changes. Iran's increasing military procurements must also be a factor in evaluating its political position. Syria, without its Soviet backer, appears to have few current options other than a turn to the West at present. A strengthened Iran, however, could provide Syria with an attractive alternative, despite the ideological differences between the two countries. Syrian support for Iran during the Iran-Iraq War established a basis of cooperation that could become a building block for the future. Additionally, both states are united in their hostility toward Iraq, and both wish to blunt any future Iraqi territorial aggression.

By the end of the Gulf War, Jordan had become a pariah state, isolated economically and politically from other states in the region, which actively opposed Saddam Hussein. While there has been some movement toward accepting Jordan back into both Arab and Western folds, there is a reservoir of bitterness toward Jordan, particularly on the part of the Gulf states. Because of its geostrategic position, however, as well as its large Palestinian population, Jordan's stability affects the entire region; its demography, its historical relationships, and its positive role in the peace process have a direct bearing on resolution of the Arab-Israeli problem that affects all the states in the area.

Impact of the Gulf War

In the immediate post-war period, the tendency has been for the winners to punish the losers. Jordan's case is illustrative: The kingdom's primary sources of income from the Gulf states, which were cut off during the war, have not been

restored, plunging the country into grave economic crisis. Even for the winners, however, the rewards have not yet equaled expectations. Economic benefits to Egypt and Syria in terms of reconstruction contracts and skilled remittance work, for example, have been extremely slow in coming and may not fulfill original expectations if and when they are implemented.

This failure of expectations could have repercussions throughout the region. There is already evidence, from statements of regional politicians as well as analysts, that the polarization between Gulf and non-Gulf Arabs, the "haves" and "have-nots," is increasing as the Arab unity that followed the Gulf War sinks back into mistrust and recrimination. Indeed, a new form of "pan-Arabism" may be emerging, one limited, however, to the non-Gulf Arab states and composed principally of "have-nots." For Mubarak's regime, the claim of steadily growing fundamentalist groups that Egypt has no business in the Gulf may be strengthened. For Syria, the denial of expected rewards, combined with internal tensions, could lead to a reversal of its postwar, relatively moderate course in the region. The continued isolation of Jordan can have economic and political implications for the entire region as well because of Jordan's geostrategic position and its heavily Palestinian population. Failure to readmit Jordan to the regional game could have repercussions for the internal situation in Jordan, with the possibility of radicalizing existing elements and forcing alliances with less moderate states in the region.

The Soviet Disintegration

The Soviet withdrawal from the Middle East may at least in the short term also lead to an increase in regional crises. Indigenous crises may surface without superpower interest and attention to keep them in check. In the past, regional crises between states backed by different superpowers had the potential for escalating into global conflict. Regional spats therefore received more initial attention from superpowers, and ways were frequently found to head clashes off or to contain them. With less perceived risk of potential superpower involvement and constraints, regional squabbles ranging from water issues to border disputes may be increasingly subject to resolution through intraregional military conflict. For example, declining Soviet power and a corresponding shifting of focus and lessening of regional interest on the part of other major powers, including the United States, were factors in Saddam Hussein's ability to build and maintain the Iraqi military machine and to attempt to fill the vacuum left in the Middle East by the Soviet withdrawal.

The tendency to rely on military solutions to endemic problems may also increase because of continuing arms sales to the Middle East—sales that are likely to grow as regional states continue to arm themselves and as the former Soviet Union and its Eastern European satellites look south for hard currency. Additionally, it is likely that Soviet nuclear technicians will seek employment in countries that offer welcome, payment, and an opportunity to continue working in their professions. The infusion of both arms and technicians can have a direct effect on the proliferation of nuclear and conventional arms in the Middle East and can add a hair-trigger aspect to the solution of even small issues.

The Peace Talks

The U.S.-sponsored Arab-Israeli peace talks are also likely to affect regional relationships in both the near and long terms. While most Arabs appear to be genuinely interested in ending the decades of hostility with Israel, both Arabs and Israelis come to the peace table with strikingly different perceptions of both the basic issue—land versus recognition—and the history of the past forty years. Ideological positions have been assumed by both sides as well, casting into doubt the ultimate outcome of talks. The June 1992 elections in Israel have promised to remove much of the ideological basis from the Israeli position, however. A related effect has been to place the Arabs, especially the Palestinians, on the spot to resolve their own internal differences over ideology, political positions, and leadership. The reconvening of the peace talks in the fall of 1992 thus offers new challenges to overcome, as well as new opportunities for resolution.

Radicalism is not dead in the Middle East; it is only waiting for moderation to fail. Additionally, although Arab leaders are cautious—if not skeptical—about a near-term resolution with Israel, their populations have far more expectations that the cycle of political violence and economic disintegration will be reversed. Regimes find themselves fearful of a backlash from disappointed populations, led by radicals and fundamentalists who would reverse current pro-Western, pro-peace positions. While trends toward democratic processes are evident in almost all countries, they are not yet institutionalized in the Middle East. The December 1991 elections in Algeria, where fundamentalists first surged to a majority and then were denied the fruits of their victory through a military-government coup, may be a bellwether for the region in terms of both the influence of fundamentalism and its repudiation by entrenched regimes.

Because of the political, military, cultural, and economic interconnections of the Middle East, the stability of one state affects all states. Moreover, the geographic proximity of one state to another makes it nearly impossible to prevent violence

and unrest from spilling over borders. The consequences of instability in Egypt, Syria, or Jordan, for example, would likely be threats to the security of the Gulf—and, in turn, threats to the interests of the United States. It is for this reason that the futures of these three states are important to U.S. defense and policy planners. Each of these states is pivotal, in different ways, to long-lasting stability in the Middle East. Each has a unique relationship with the United States and with the Gulf states, and each thus has the capability to affect U.S. interests.

Purpose and Organization

This report assesses the political dynamics of Egypt, Syria, and Jordan and the links between the Levant and the Gulf. It discusses how events in these states can affect Gulf security and the vital interests of the United States. It also recommends policy directions for the United States to enhance stability in the Levant and in the region as a whole.

Sections 2, 3, and 4 describe the current situations in Egypt, Syria, and Jordan, respectively, and the impact of the Gulf War and the Soviet withdrawal of influence on their future directions. Section 5 discusses links between these states and the Gulf, as well as the vulnerabilities of regional states to each other and to external powers. Section 6 concludes with a discussion of U.S. policy options and alternatives that could contribute to stabilizing Egypt, Syria, and Jordan to help protect U.S. interests in the Gulf and in the Middle East in general.

2. Egypt as a Central Player in the Region

Egypt emerged from the Gulf War as one of its big "winners" and expected to reap both military and economic benefits from its participation in the coalition against Saddam Hussein. As a result of its leadership among the Arab allies, Egypt regained stature, reassuming its role of moderator in the Arab world. It now anticipates a pivotal role in regional affairs, including security initiatives. Egypt's enhanced status is evident in the reconstituted Arab League's move back to Cairo, the attendance of all 21 member states at the March 1991 meeting, the election of Ismet Abdul-Meguid, Egypt's foreign minister, as the League's new secretary general, and the election of Boutros Boutros Ghali as Secretary-General of the United Nations.

President Mubarak also clearly wants to play a role in the Arab-Israeli peace process, which would cement the Egyptian position of leadership. Egypt's acceptance of Western insistence that there was no link between Saddam Hussein's invasion of Kuwait and Israel's occupation of the West Bank and Gaza increased pressure on the Mubarak government, in the post-war period, to work toward an Arab-Israeli solution. Because of its separate peace with Israel, however, Egypt has less at stake in these negotiations than other Arab countries—notably Syria and Jordan. But Egypt can still play a powerful role in assisting communication and providing a forum for negotiations.¹ Indeed, Egypt sees an end to the Arab-Israeli struggle as the only way to achieve true regional security. Accordingly, the Mubarak government has moved the peace process to the top of its foreign policy agenda. The success of the talks would enhance Egypt's credibility as a regional leader and underscore the success of moderate politics in the Middle East.

Conversely, the failure of the peace process would undermine both Egypt's regional position and that of moderates in the Middle East. It would also renew radical fundamentalist charges that Mubarak has sold out to the West. The door might then be opened for an increase of radicalism in the region. Mubarak runs a political risk—as do other Arab regimes that participate in crafting peace with Israel. Radical political and religious groups can be expected to vent their rage at perceived compromises. Indeed, Egypt has already paid a price of this nature,

¹"Egypt Gathers Credibility," *The Middle East*, May 1991, p. 16.

with the 1981 assassination of Anwar Sadat by radical Islamists in the Egyptian military. The prognosis for the long-term, however, is that the rewards of a more stable and rational regional environment will sap the power of radical groups, especially if economic conditions improve both within Egypt and across the region. With resolution of the Arab-Israeli dilemma—and the removal of excuses for tackling endemic political, economic and social problems of individual states—such improvement will at least be possible.

As leader of the moderate, status quo, nations, Egypt is likely to continue along a progressively democratic path. However, the country faces massive economic and bureaucratic problems, aggravated by a mushrooming population, a stagnant economy, and high unemployment and inflation rates. From the political perspective, Egypt also faces potential challenges from its growing number of fundamentalists, most of whom are denied legitimate participation in Egypt's political life. While there is little evidence of immediate instability in Egypt, the ingredients for it are nonetheless at hand.

Internal Problems: Political Factors

Fundamentalism is a rising tide throughout the Middle East, and Egypt is no exception. While Egypt remains the most politically pluralist of any country in the Arab world,² there are an increasing number of fundamentalists on the Egyptian political scene. They were most visible during the war, when members of both the Muslim Brotherhood and professional associations attacked President Mubarak's anti-Iraq position and demanded the recall of Egyptian troops.³ A conservative group in Egypt continues to denounce Egyptian redeployment as part of a Gulf security force, calling for concentration on internal issues, rather than participation in any regional security network. These and other opposition groups pose a threat over the long term to Mubarak's largely sectarian government, as competition between anti-West Islamists and nationalists emerges.

Militant fundamentalism is on the rise in many places in Egypt, particularly in the poorer, more neglected areas of the country, such as the slums of Cairo and the villages of Upper Egypt. For example, sectarian clashes in the Assyut

²There are nine officially recognized political parties in Egypt, as well as numerous unofficial party groupings. The Muslim Brotherhood is one of the unofficial groups. It has won legal representation by attaching itself to official parties and is now trying to gain legal status in its own right.

³The Labour Party's weekly newspaper, for example, attacked the government so strongly that it was called "an Iraqi publication in Egypt." (Marwan Fouad, "Cairo Thinks Again," p. 23, *The Middle East*, July 1991.)

province in Upper Egypt occurred in early May 1992. Reportedly the work of militant Islamic Jihad members, the unrest led to the deaths of fourteen people, most of them Coptic Christians. Many hard-line fundamentalists work as school teachers in Upper Egypt. This is fertile ground for extremists, allowing them to challenge both state and society in areas where poverty, frustration, and unemployment "make people give up on society and adopt the extremism of despair."⁴ The fundamentalist surge has also been accompanied, paradoxically, by a nationwide increase in drug abuse, another testament to Egypt's constantly increasing social ills.

The June 1991 showdown between the Algerian government and the Islamic Salvation Front (FIS), and the even more important debacle of the Algerian national election in December 1991, are also matters of concern to the Egyptian government. Egyptian commentaries have suggested parallels between the Egyptian and Algerian experiences. They compare the Algerian FIS to the Egyptian Brotherhood of past decades, with its resort to violence and confrontation. The emphasis, however, has been on the relative youth of the FIS, as well as on its many internal divisions. Egypt and the Egyptian Brotherhood, these commentators say, are past the need to use such tactics.⁵

The voiding of the Algerian election results and the subsequent repression of Islamic groups by the Algerian military and government in a virtual coup will surely have a resonance in Egypt. The early election success of the Islamic party reinforced the belief of many Egyptians that political liberalization is dangerous, especially during times of attempted social and economic reform. It has also reinforced Mubarak's suspicion of religious groups forming political parties, and may well result in further repression of Egypt's own fundamentalist groups. The current emergency laws allowing wide powers of search and arrest in Egypt will probably remain in place for the foreseeable future as well. In February 1992, President Mubarak ruled out constitutional changes that would have mandated direct presidential elections in October 1993, the end of Mubarak's current term.⁶

Progress has been made in converting the Egyptian political process into a more representational one, but government suppression and censorship still exist, as do questions over how well political parties represent their constituents. Four major opposition parties boycotted the 1990 Egyptian elections, and the danger persists that these and other groups might attempt to press their claims outside

⁴Salaheddin Hafez in *Al-Ahram*, May 10, 1992, p. 7.

⁵Mahfouz al-Arsari et al., in *al-Gomhuriya*, quoted in *Mideast Mirror*, July 2, 1991, p. 28.

⁶The present system allows for election of the president through the Peoples' Assembly; the choice is then put to a popular referendum.

the Egyptian parliamentary structure. Additionally, since the end of the Gulf War, there has been increased infighting among various parties, with confusion and debate over party policies.

It is possible that opposition groups, including extremists, may eventually come to power legitimately, especially if Egyptian election processes are democratized and the government adopts a more centrist position. The question then will be, as it was in Algeria, whether fundamentalists in power will continue to permit others to exercise political freedoms. Before this can occur, however, the parties will have to transcend their internal dissensions, overcome tendencies to excessive centralization, and win wider popular support to become truly effective in Egyptian politics.

In the short term, the Mubarak government appears to be secure. Pro-Iraqi demonstrations during the Gulf War were contained by the government, and pro-Palestinian and Islamic activist groups are still closely watched—so closely that reports of torture and persecution occasionally surface. President Mubarak has declared his intentions to liberalize political life and to develop a functioning parliamentary democracy in Egypt.⁷ To this end, the Egyptian cabinet has been reshuffled, and democratic changes have been promised to both the executive authority and the structure of the existing party system. Nonetheless, Egyptian security forces have severely restricted the activities of underground Islamic groups, with sweeps of suspected subversives and instances of tortures and beatings. Journalists and academics who spoke out against the government's anti-Iraq policies were reportedly detained and mistreated.⁸

Mubarak has said, however, that the appropriate time to introduce constitutional changes is when the economic picture has stabilized and that constitutional change does not have priority. "No one has the right," he said, "to claim [he has] a mandate from the people. I live with the pulse of the street, and its basic demand is to get out of the economic crisis we have confronted and to set right the accumulated problems of the past."⁹

More Internal Dilemmas: Economic Factors

The Egyptian economy is probably the most serious threat to the government's stability. As a reward for Egypt's prominent position in the anti-Saddam

⁷ "The Promise of a New Beginning," *MEED*, June 7, 1991, p. 9.

⁸ *Ibid.*

⁹ *Al-Ahram*, February 7, 1992, p. 3.

coalition, the United States, European Community members, and Saudi Arabia have forgiven almost half of Egypt's foreign debt of \$50 billion.¹⁰ In addition, many countries, including the United States, have rescheduled remaining debts, and aid levels from Europe and the Gulf are expected to average \$8 billion over the next two years.¹¹ Much of the promised aid, however, will pay for prior obligations including debts incurred during the Gulf War. During the war, Egypt claims to have lost as much as \$20 billion in revenue, including \$3 billion in remittances from 600,000 expatriate workers.¹²

While debt forgiveness and increased aid will certainly help, the Egyptian economy is riddled with incompetence and strangled by bureaucratic ossification. The current debt-forgiveness program offered by the United States and the allies is tied to compliance with an austerity plan that includes a 10-percent sales tax, an increase in domestic energy prices, and a hike in customs duties, as well as a reduction in subsidies on bread and meat.¹³ Previous attempts to enforce IMF demands over a decade ago under President Sadat resulted in food riots in Egypt and a subsequent back-down on reductions. The government has failed to meet other budgetary and pricing goals imposed in 1987. Even if the IMF regulations are met, however, population increases alone may well eat up any reserves as societal needs are met, and essential repairs to the shaky Egyptian infrastructure may be again postponed.

The annual population growth rate in Egypt is 2.6 percent—one child every 27 seconds. The current social infrastructure is unable to handle the increasing load of one million new Egyptians every 10 months. Schools are overloaded, with 70 and 80 children to a class; teachers are poorly trained and have few materials besides outdated textbooks. The functional literacy rate, consequently, is only 45 percent, while the unemployment rate is over 20 percent, despite the government's efforts to find employment for all citizens. Indeed, this effort has resulted in a bloated and sluggish bureaucracy that tends to multiply the number of people doing any one job and correspondingly decrease the efficiency with which the job is performed. A high inflation rate of over 20 percent¹⁴ and a low rate of middle-class growth and external investments in Egypt compound the

¹⁰Egypt's entire \$7.1 billion military debt to the United States was written off, as was \$7 billion to the Saudis, with another \$10 billion owed to European Community members also forgiven. (Economist Intelligence Unit, *Egypt: Country Profile*, 1991-92, London: Business International, 1992.)

¹¹Economist Intelligence Unit, *Egypt: Country Report*, August 1991, London: Business International, p. 19.

¹²*Ibid.*

¹³Steven Greenhouse, "Half of Egypt's 20.2 Billion Dollar Debt Being Forgiven by U.S. and Allies," *New York Times*, May 27, 1991, p. 1.

¹⁴International Monetary Fund, *International Financial Statistics*, August 1992, p. 224.

damage. The country's poverty, along with memories of past public outcries against economic reforms, make the government hesitate to take much-needed—but unpopular—measures to reverse the decay.¹⁵ Alliances between businessmen and bureaucrats also frequently determine the operation of economic policy in Egypt—and also frequently hamper attempts at bureaucratic and economic reform.¹⁶

Mubarak's policy of gradualism has been the target of criticism from both within and without Egypt. The president has countered charges of government foot-dragging with claims that the pace of reform in Egypt has spared the country the economic trauma experienced in Eastern Europe and the former Soviet Union.¹⁷

Gulf states' decisions to retrench on economic ventures with other Arab states, in tandem with a reversal of the plan to station Egyptian troops in the Gulf, may create a whole new set of problems. For one, the rift between rich and poor states, Gulf and Levant, may grow even wider if the Gulf states retreat from a position of economic responsibility and burden sharing. Economic conditions are becoming too serious too quickly for poorer states to continue without some hope of relief. Aid from outside the region carries a different set of baggage in the form of restrictions, demands for structural reform, and the ever-present specter, for Arabs, of external interference in their affairs.

Relations with the Gulf

Cairo has consistently warned the Gulf states that Iran may be trying to dominate the Gulf militarily. Egyptians point to the April 1992 Iranian air raid near Baghdad, Iran's attempt to take over the UAE's portion of Abu Musa island,¹⁸ and Iran's ambitious rearmament program as proof of these suspicions. As this report was being written, there were widespread fears throughout the Arab world that renewed conflict with Iraq may result in the partition of the state,

¹⁵ Author's interviews with business and government leaders in Egypt, November 1991. See also Economist Intelligence Unit, *Egypt: Country Report, op. cit.*

¹⁶ For a thoughtful analysis of the relationship between business and bureaucracy in Egypt, see Yahya M. Sadowski, *Political Vegetables? Businessman and Bureaucrat in the Development of Egyptian Agriculture*, Washington D.C.: The Brookings Institution, 1991.

¹⁷ MEED, February 21, 1992, p. 11.

¹⁸ Abu Musa was partitioned between Iran and Sharjah in November 1971, shortly before Sharjah became a member of the United Arab Emirates. The agreement allowed for the stationing of Iranian troops in one part of Abu Musa and provided for the sharing of revenues from offshore oil fields adjoining the island. In April 1992, Iranian forces on Abu Musa moved into Sharjah's part of the island and expelled sixty expatriate workers, charging that third-country nationals could not reside on the island without Iranian permission. The Iranian action has been widely seen by Arabs as a clear attempt to negate Sharjah's right to control its part of the island. Tehran's move to upgrade Abu Musa from a district of Hormozgan Province to a full administrative unit in its own right was seen as further proof of Iranian intentions.

potentially giving Iran at least short-term influence over the Shi'ites in southern Iraq. If, indeed, military action results in the partition of Iraq into a Kurdish north, a Sunni center, and a Shi'ite south allied even temporarily with Iran, there is the potential for Iran to begin building forces and establishing support in southern Iraq. This would upset the fragile balance of power in the region, undoing the stalemate imposed by both the Iran-Iraq and Gulf Wars, and putting the Gulf emirates at risk of unrest within their own substantial Shi'ite populations. Saudi Arabia, Kuwait, and Bahrain have all fought uprisings among their Shi'ite communities: The clashes in Saudi Arabia's oil-rich province between Shi'ite oilworkers and the National Eastern Guard in November 1979 are a good example. There were also Shi'ite coup attempts in Kuwait in 1988 and 1989.

Egyptians continue to sound warnings about Iranian projection into the region, claiming that the entire eastern wing of the Arab world would be threatened by "designs of the larger powers in the region" if Iraq is weakened.¹⁹ Renewed Western military intervention in Iraq also worries Egypt, as well as Jordan, Syria, and North Africa; they are concerned that an anti-Western backlash will erode support for current regimes if they are seen to support external interference that results in the dismemberment of an Arab state.

Since the end of the Gulf War, Egypt has been in the process of redefining its connections with the Gulf states. According to agreements reached in March 1991 with the Gulf states, and reiterated in meetings in early May, Egypt was to provide the backbone of a planned Gulf security force.²⁰ Modifications of the agreement began almost at once. Following initial reports that the plan was to be abandoned due to Iranian insistence on participation, Egyptian resistance to an Iranian presence, and Saudi reluctance either to invite the non-Gulf Arabs formally or to pay them, President Mubarak began the process of withdrawing Egyptian troops from the Gulf. Kuwait then reportedly began negotiating with Egypt to provide a small Egyptian military presence in Kuwait. While the exact nature of this presence was not defined, it was assumed that the Egyptians would cycle a small number of troops in and out of Kuwait on a regular basis.²¹ In a later version of the plan, 3,000 Egyptian and 3,000 Syrian troops were to provide a supplement to a core group of 10,000 GCC troops, which would

¹⁹Kim Murphy, "Arabs Fear Instability in Plan to Shield Iraqi Shi'ites," *Los Angeles Times*, August 26, 1992, p. 1.

²⁰Early estimates of the size of the Egyptian Gulf force ranged from 35,000 to 100,000; the upper limit is three times the size of the Egyptian force sent to the Gulf War and one-quarter of Cairo's total armed forces.

²¹Healy, *Los Angeles Times*, June 3, 1991, *op. cit.*

provide the base for an eventual force of 100,000. But these plans have also fallen through, and no agreement appears to be in sight, although no official obituary has been published either. President Mubarak, however, has stated that no more than 5,000 Egyptian troops will remain in the Gulf under any sort of agreement.²²

The Egyptian president's decision to remove Egyptian troops from the post-war Gulf was based on pragmatism. The Saudis, for example, indicated that they would prefer enhancing their own military capabilities, relying on the United States for any future Iraqi-sized threats. The Egyptians were refused assurance that their help was wanted—or would be paid for. Kuwait, in the meantime, appears unlikely to field an army large enough to defend Kuwait without external assistance and has negotiated a defense and security agreement with the United States. Bilateral negotiations with Egypt, however, may provide for some level of joint training and maneuvers, exchange of expertise, and coproduction of military equipment between Kuwait and Egypt.²³

By the summer of 1992, final disposition of the GCC + 2 plan had not been made. Inconclusive meetings in May and July of 1992 deferred final decisions, purportedly to give the GCC more time to consider Cairo's proposal for a collective framework on multilateral cooperation, as well as Iranian protests against involving nonlittoral states in matters regarding Gulf security. Additionally, Gulf states do not want to jeopardize potential defense accords with Western powers. It appears most likely, however, that the idea of a significant multilateral collective Gulf defense force that includes non-Gulf member states is, in the end, a nonstarter, and that discussion of the matter will quietly be allowed to expire.

Whatever plan is ultimately agreed upon, if indeed one is, it is apparent that the arrangement, while assuaging some injured Egyptian and Syrian feelings, will fall far short of the initial plans. It may, however, ensure a continued Egyptian—and possibly Syrian—presence in the Gulf, even in small numbers, and thus tie Levant and Gulf fortunes more closely than they have been in the past. An arrangement that would allow Egypt—and President Mubarak—to reap political rewards as a protector of the Arab world would not be inconsequential for either Egypt's standing or the regional balance. An Egyptian-Gulf alliance, for example, could offset a strengthened relationship between Syria and Iran. If only Egypt and Kuwait strike a bargain, as is quite possible, the Egyptian connection

²²Fouad, *The Middle East*, July 1991, *op. cit.*

²³*Sawt al-Kuwait*, in *Mideast Mirror*, May 1, 1992, p. 14.

could provide Kuwait with a counter to any potential Saudi aggressiveness in the future.

Compounding what Egypt perceives as a lack of gratitude is the traditional distrust between Egypt and Saudi Arabia, as well as the general unpopularity of Gulf Arabs because of their alleged mistreatment of Egyptian workers and what non-Gulf Arabs see as a contemptuous attitude. Egyptians view the Gulf attitude as Arab racism: "'Pure Arabs' look down on Egyptians, a mixture of Hamidic-Semitic peoples. The Egyptians, for their part, feel they are heirs of 7,000 years of civilization, whereas the Gulf Arabs only have money."²⁴ In the aftermath of war, the Egyptians have suffered from a number of slights at the hands of Gulf Arabs. For example, the Kuwaiti ambassador in Cairo stated that any Egyptians hired for the Kuwaiti rebuilding effort would be menial laborers and that the reconstruction was an "American" job and beyond Egyptian capabilities.²⁵ Egypt has also not forgotten its abandonment by most Gulf Arabs following the Camp David accords.

Egypt also expected to reap economic rewards from the Gulf War in terms of increased assistance from the United States, Europe, and the Gulf states. Additionally, Egypt expected that its own workers would replace Jordanian, Palestinian, and Yemeni workers who were expelled from the Gulf during the crisis and who are not likely to return.²⁶ The proceeds from debt forgiveness, increased aid, and remittances could more than offset the initial negative impact of the Gulf War on the Egyptian economy, especially if the Gulf ultimately follows through on promises to invest in ventures in both Egypt and Syria. Actions since the war by the United States and the allies that will forgive half the \$20.2 billion that Egypt owes them as a reward for Egyptian support and as a means to reimburse Egypt for its heavy financial losses will shrink the Egyptian debt burden from almost \$50 billion in 1989 to about \$25 billion. In addition, the agreement allows for extending over 25 years the repayment of that part of the debt that is not forgiven. Egypt is currently the fourth-largest debtor among developing nations, owing \$14 billion in government-to-government debt, as well as several billion dollars to the former Soviet Union and other Eastern European nations.²⁷

²⁴Mamoun Fandy, "Egyptians vs. the 'Pure' Arab," *New York Times*, May 16, 1991, p. 23.

²⁵*Ibid.* Egyptians consider this a real insult, since Egyptian engineers, teachers, and doctors helped build Kuwait in the period before the oil boom.

²⁶Nearly 300,000 Palestinians and Jordanians were expelled from the Gulf, and close to 1 million Yemenis were returned to Yemen.

²⁷Greenhouse (1991).

Nonetheless, the economic benefits that Egypt expects from the Gulf may potentially be doomed to disappointment. Egypt has received far less than expected in terms of contracts to rebuild Kuwait, and the cooperative venture between Saudi Arabia and Kuwait to invest in both Egypt and Syria has been cut back from \$15 billion to \$10 billion to \$6 billion. The GCC now says that the funds will be in the form of loans, not grants, and that these must go to private-sector projects that meet with prior GCC approval, including conditions that are seen in Egypt and Syria as stricter than those of the IMF.²⁸ As noted above, Egypt has been cut out of much of the Kuwaiti reconstruction plans as well. And neither Kuwait nor Saudi Arabia are hiring as many Egyptians as had been anticipated. In addition, the GCC decided in May 1991 to tie the Mideast's regional bank to the World Bank, which imposes tight strictures on lending money to Egypt. This move was seen by Egyptians as indicative of a complete lack of trust by the Gulf states that they might not recover funds invested in their non-Gulf Arab sister states.

Another potential problem for Egypt, allied with the country's endemic internal economic plight, stems from the high expectations that Egypt has of the political, economic, and military rewards that it is entitled to because of its conduct in the crisis. Most Egyptians are proud of the role that Egypt played in the war and believe there should be returns commensurate with their effort. Additionally, many Egyptians have pinned their hopes on resolution of the Arab-Israeli conflict. They hope for a regional economic renaissance as a peace dividend, as well as for recognition of Egypt's role as peacemaker. If these expectations are not met, if the economy continues to deteriorate, if the peace process withers away, and if the Egyptian government continues to maintain itself in power through repressive means and without strenuous attempts at bureaucratic reform, the situation in Egypt may deteriorate rapidly.

At the same time, Egypt has traditionally shown an ability to "muddle through" a series of economic crises. However, the indicators this time—rising population, increasing unemployment, decreasing resources, the growing reach of radical Islamists, and continuing bureaucratic inertia in the face of the political and social risks of change—imply that the problems are rapidly approaching a critical mass. There is a widespread perception that economic reforms to date have benefited only a minority of the population, leaving very large segments of the ever-increasing masses behind.²⁹

²⁸ *Al Hayat*, in *Mideast Mirror*, May 11, 1992, p. 10.

²⁹ Alan Richards and John Waterbury, *A Political Economy of the Middle East: State, Class and Economic Development*, Boulder, CO: Westview Press, 1991, p. 244.

Fundamentalist opposition to the Mubarak government and its pro-Western policies may become a much more popular and potent force, with implications for the future security of the Gulf. Government failure to contend with the escalating difficulty of providing food, jobs, and basic consumer goods provides fundamentalist groups with a powerful weapon with which to challenge the current government. When combined with the religious and cultural appeal of Islam, as well as with the undercurrent of anti-Western feeling that continues to run through the Arab world as a result of historic external meddling, radical Islam presents a very real threat to the Mubarak regime.

Replacement of the current Egyptian government by a radical fundamentalist government might present the United States and the West with both political and operational difficulties if the necessity again arises for intervention in Gulf security matters. An Egypt unreceptive to American interests and objectives might pose political problems—through its influence regionwide—and military problems, through abrogation of cooperative agreements, denial of overflight and basing rights, and interruption of resupply routes. Even without a fundamentalist coup, Egypt might find it politically wise in the context of its own interests and objectives in the Middle East to distance itself from Western interests. A new Iraqi crisis could be the test for both Egypt and the West; Egypt has indicated reluctance to provide the kind of support that it did in the Gulf War.

Saudi Arabia's actions with regard to both military assistance from Egypt and economic assistance to it should be closely monitored, as should Egypt's reaction to pronouncements coming from the Gulf. If the Saudis do decide to strengthen dramatically their military capabilities, as they have indicated they wish to do, and if Egypt is not rewarded for its assistance in an appropriate manner, it is possible that Egypt and Saudi Arabia could eventually emerge as two contending forces for the leadership and loyalties of the Arab world. Egypt will not wish to be excluded from a position of leadership, especially since it has only recently emerged from a period of isolation within the Arab world as a result of its separate peace with Israel. Also, Egyptian and Saudi interests may in future diverge sharply; again, the most immediate issue is the future of Iraq. While it may be in the Saudi interest to defang Iraq through partition and thus remove the threat of any future invasions from the north, Egypt sees such a move as extremely destabilizing to the balance of power throughout the region, primarily because of the potential for Iranian power projection.

Overall, the period of unprecedented Arab unity that immediately followed the war appears to be retreating into renewed mistrust and recrimination. There is increasing polarization between the Gulf states and the rest of the Arab world, a

rift in which Egypt might play a critical role. In response to perceptions that Egypt has been slighted and that the Gulf states are improving their position with the West at the expense of their regional neighbors, Egypt has improved relations with the Maghreb states of North Africa and initiated contacts with Yemen and Jordan. But Mubarak has also hedged his bets, working to maintain his Gulf contacts and reiterating Egypt's importance within the framework of post-war security. Thus, while keeping its channels to the Gulf open, Egypt is also in the process of positioning itself for a broader role and greater responsibilities within the Arab world. As long as U.S. and Egyptian interests coincide, this is a desirable development from the U.S. point of view. Should these interests diverge, however, especially through a regime change that reverses the current orientation to the West, Egypt could present U.S. decisionmakers with some difficult political and strategic dilemmas.

3. Syria's Place at the Table

Syria emerged from the Gulf War as another of its winners and as the most militarily powerful country in the region outside of Israel. At least in the near term, Syria seems likely to derive political and economic benefits from its association with the Gulf states, especially since there is widespread perception that it has moderated its policies. However, this is almost certainly a calculated and pragmatic move, rather than a reflection of any ideological change. It is also primarily an external, rather than an internal, change. While some new economic liberalization actions have been taken, primarily in the nature of encouragement of small businesses, most industry has not been privatized, and internal political reforms have been largely cosmetic. Government repression persists in Syria, as does connection with radical Palestinian and terrorist groups, most located in the Syrian-controlled Beka'a Valley. In addition, in June 1991, Syria concluded an agreement with Lebanon that was an effective surrender of Lebanese sovereignty to Syria and served as a reminder that Assad has not forsworn the dream of "Greater Syria."

Without Moscow as a major backer,¹ Syria has been forced to look westward. Syrian participation in the alliance against Saddam Hussein led to high initial hopes for "rewards" from both the Gulf states and the West through economic assistance and military credits. Despite some recent improvements, Syria's economic picture, like Egypt's, remains dismal, and the economic advantages provided by an enhanced political stature with the West could both reinforce the Assad regime and strengthen the nature of a state that has never forsaken its expansionist ambitions. Syria's basic orientation remains the preservation of the regime and the pursuit, as far as possible, of territorial imperatives.

Since the war, Syria has received \$204 million in pledges from the European Community, and \$75 million has been pledged by Germany. Additionally, a joint Syrian-German committee has been established to promote political, economic, and technical cooperation. Higher oil prices boosted Syria's income by

¹The USSR began to cut back on major arms transfers to Syria in 1987, demanding Syrian repayment of approximately \$9 billion in military debts (*MEDNEWS*, January 6, 1992, p. 3). The Soviet arms pipeline to Syria closed in November 1989 with the Soviet announcement that it no longer accepted the concept of Syrian "strategic parity" with Israel. The Gulf crisis thus offered opportunities for Syria to forge new alliances and improve relations with the West, while simultaneously facing off against its old adversary, Iraq.

some \$200 million between November 1990 and March 1991.² Whether the lure of the West and the opportunity to exercise more moderate leadership in the region can resist the tension of old and ingrained territorial designs and eventually lead Syria to a peace agreement with Israel is yet to be determined.

Since the Gulf War, Hafez al-Assad's regime has been in a less-confrontational mode, although there are clear signs of Syrian disappointment at the outcome of its efforts to court the West. In his inaugural speech of March 12, 1992, for example, President Assad vented his frustration with an alleged United States "double standard" toward Israel and the Arabs in regional arms procurement and expressed dissatisfaction over continued Western criticism of Syria's human rights record.³

Assad's current tight hold on Syria reduces chances for internal instability, but the reemergence of Syria's own Kurdish problems, as well as problems with Turkey over both Kurds and water, may pose potential risks. Indeed, the Kurdish problem could be thrown into sharper focus for both Syria and Turkey if the ongoing crisis with Iraq results in partition of the state. Syria, Turkey, and Iran are opposed to the creation of an independent Kurdish state because of the loss of territory and resources involved for all of them. They fear that a dismembered Iraq will lead to the establishment of a *de facto* Kurdistan. On the other hand, if Saddam retains control of a radical Iraq, the specter of a renewed military threat to Syria also exists.

Despite Assad's control of Syria, there are potential internal problems as well. For example, Assad's rule is based almost entirely on the military, through which he rose to power, and on opposition to Israel. In the event of a peace treaty with Israel, Assad will have to redefine the rationale for the police state he has established, in effect designing a new concept for the Syrian state. Additionally, there have been reports of increasing fundamentalist influence in the military, along with reports of resentment over the creation of special "loyal" military units. Over half of the officer corps belongs to Assad's Alawi sect, which represents only one-eighth of the Syrian population.⁴ Also, there could be serious questions about Syria's stability should Assad die or be removed from office, at least in the near term; no successor to the president is in evidence.

²MEDNEWS, March 4, 1991, p. 4.

³FBIS, Near East-South Asia edition, March 18, 1992, p. 12.

⁴"Assad's Uncertain Future," *op. cit.*, p. 10.

The New Moderation

Whether Syria's new moderation is a tactical or a strategic move, it is clear that Damascus is determined to play a role in whatever new Gulf order may develop. Syria had a prominent place in the originally proposed Gulf security force, along with Egypt, and believes that it has triumphed over its rival Ba'athist party in Iraq with Saddam Hussein's discreditation. That Saddam remains in power after such humiliation is proof to Assad that the Iraqi Ba'ath has been co-opted by the Iraqi regime and is no longer a viable representative of Ba'athist philosophy.

Syria has also begun to develop a healthy balance of regional ties with Egypt, the Gulf states, Iran, and even Jordan, following Assad's propensity for keeping as many irons in the fire as possible. And Syria has moved tantalizingly toward peace with Israel as it weighs the benefits of agreement in terms of increased Western political recognition and economic aid, increased trade opportunities, an enhanced leadership position in the region, secure borders, and probably confirmation of its control over Lebanon. With the dissolution of the Soviet Empire, Syria appears to have little alternative at present but to turn to the West. In short, there appears to be little political value—and no economic value—in Syria's pursuit of radicalism at this time, and, indeed, current policies appear aimed at distancing itself, at least in public, from radical Arab politics.

At the same time, however, rumors persist that terrorist groups are supported from Damascus, which also supports a number of terrorist groups in the Beka'a Valley. Assad may also have his eye on the Palestinians—not necessarily to aid their cause, but to manipulate their leadership. In November 1991, following the Madrid Conference, President Assad welcomed his old enemy Yasir Arafat to Damascus and permitted the opening of a Fatah office there.⁵ Given the public-relations success of the Palestinian leadership from the Occupied Territories and the relegation of the Tunisian-based PLO to the sidelines, Assad's encouragement of Arafat was a most interesting move. By supporting the old Palestinian leadership, Assad subtly set the stage for undermining the newcomers, especially if the peace process falters. By welcoming Fatah to Damascus, he established a measure of control over the PLO. The PLO has also reestablished relationships in Lebanon, a move unlikely without Assad's sanction, given the extent of Syrian control.

While Cairo can moderate discussions and provide a forum for communication, it has in reality nothing to bring to negotiations with Israel outside of good will,

⁵By December of 1992, the pair had reportedly fallen out again.

since it has long since made its peace. Syria, on the other hand, can actually offer peace—as well as greater compromises with the United States, which gives Syria a political value on which Assad appears to be capitalizing.

There is evidence to support the idea that Syria's plans for the future are more political than military and that diplomacy and coordination will be used rather than aggression as a means to gain power. One Syrian official has said that "the time for radical action has gone now, and Syria cannot survive against the current. . . . Iraq tried, and what was the result?"⁶ Nonetheless, Syria has continued to acquire large numbers of weapons in the period since the Gulf War, the military value of which cannot be discounted.

Neither should Syrian focus on the Golan Heights as a precondition of peace be dismissed. While the issue of the Golan may not have the military significance that appears in both Israeli and Syrian rhetoric, neither is the Golan merely a symbolic issue. While its value as a strategic military asset is somewhat questionable, given the current state of sophisticated military weapons, its value as a strategic resource is enduring. Israel currently receives over 20 percent of its total water from sources in the Golan Heights. This water is used primarily in Israel's Galilee settlements. At the same time, Syria is suffering from a water shortage—some of which is perennial and some of which is the result of drought years. Syria faces an additional loss of up to 40 percent of the water it obtains from the Euphrates River when Turkey's Attaturk Dam, part of the Southeast Anatolia Project, is completed. The Golan Heights thus represent a critical resource to both Israel and Syria.

Iraq remains a Syrian concern as well because of the potential for turmoil on the border. Of continuing interest is the Kurdish situation: Hafez al-Assad, while despising Saddam Hussein, does not want a dismembered Iraq as the price for ridding the world of Saddam. A Kurdish entity in Iraq could inflame the Kurds in Syria and threaten Assad's regime. While most Kurds have cautiously returned to Iraqi territory on the basis of Saddam Hussein's promises, thousands still remain in the northern territories, under UN oversight. Having experienced the results of previous agreements with Saddam, these Kurds have little confidence in their long-term safety. Neither is there much trust on the part of either Turkey or Syria for Saddam's promises. Many inside and outside the Middle East believe it is only a matter of time until Saddam once again goes after the Kurds, as he has done with the Shi'ites in the south.

⁶"Siding with the Victors," *The Middle East*, May 1991, p. 18.

In the Middle East, as nowhere else, circumstances tend to change rapidly, and with them political positions and military ambitions. While Assad's ultimate motives remain ambiguous, it is clear that Syria is no nascent democracy. There are no signs of lessening the heavy reliance on internal repression that has characterized Syria for 20 years. Assad retains autocratic control over Syria's internal and external affairs. In part, this is only practical from the regime's point of view, since the majority group in Syria, the Sunnis, are ruled by a minority, the Alawi. Lessening of state control and permission of greater popular participation in government thus hold the threat of toppling the regime. Also, as noted above, there has been no decrease in support for radical elements. The Assad regime still provides support to Ahmed Jibril's Popular Front for the Liberation of Palestine, for example.

In addition, the Syrian military buildup has continued. Syria is believed to have acquired dozens of almost-new Iraqi tanks during the Gulf War. In addition, since the war's end, Syria has received up to \$2 billion from Saudi Arabia.⁷ The funds were used to reactivate the Third Army Corps, which could conceivably be used for operations in Lebanon, and to purchase SCUD-D missiles from North Korea. Agreements with the Soviets in September 1991 resulted in the rescheduling of Syria's \$15 billion military debt and agreements for preserving the Syrian Army's combat capability and modernization. Additional purchases are believed to include a Soviet missile system similar to the U.S. Patriot and capable of intercepting enemy aircraft as far as 60 kilometers away. The agreement may also have included the transfer of MiG-29s and SU-24s, coastal defense artillery, and naval vessels.⁸ Agreements with the Soviets are susceptible to change as events in the former USSR take their course; however, talks with Russia reportedly went forward in January 1992 to complete earlier arms supply negotiations. While Russia's aim is most likely to be the acquisition of hard currency, Syria's aim is almost surely to upgrade its military capabilities to compensate for the increase in Israeli weapon supplies during and after the Gulf Crisis, as well as to replace obsolete Syrian weapons.⁹

The June 1991 Treaty of Friendship and Cooperation signed between Syria and Lebanon effectively completes the Syrian domination of Lebanon and eliminates Lebanese sovereignty. This agreement has resulted in the capitulation of PLO

⁷MEDNEWS, January 6, 1992, p. 5. The amount Syria received from Saudi Arabia has been variously reported as between \$500,000 and \$2 billion. Most reports are somewhere in between.

⁸*Ibid.* Also, Soviet Central Television Program, "Who's Who," FBIS-SOV, April 1, 1991. See Theodore Karasik, *Soviet Policy Perspectives on the Persian Gulf Since January 1991*, N-3579-AF/A, forthcoming as part of the Gulf Security Project, for a discussion of Soviet behavior in general and Soviet policy toward Syria in particular.

⁹"Syria: In Brief," MEED, January 24, 1992, pp. 22-23.

troops in the south to Syrian-backed Lebanese forces—but not to an agreement by Israel to forsake its safety zone in south Lebanon. The agreement thus sets the stage for another potential standoff between Israel and Syria.

Syria as a Wild Card

Hafez al-Assad is a wily leader, one who chooses his own ground and his own timing to accomplish his purposes. For Assad, Syria's national interests are always the first priority—and to Assad, Syria's national interests by definition include the survival of his regime. For this reason, Syria remains a wild card. While its cooperation and apparent moderation are welcome in both the current climate and in any imaginable future ones, a change in Assad's motivations could create serious security problems for the Gulf. Assad's apparent willingness to cooperate in selective regional initiatives, and his further moves toward peace with Israel, are closely linked to his conception of Syria's importance in the region and his own importance as both the leader of Syria and as a figure in Arab history.

The stationing of Syrian troops in the Gulf region, unlikely as it may appear at present, is still a remote possibility. Such a military presence could be extremely destabilizing should relations between Syria and the Gulf states break down. Additionally, Syria could present political and ideological problems for the region, depending on the nature of its relationship with Iran and whether Iran continues its moderate policies toward the Gulf. Conversely, dispensing with non-Gulf Arabs entirely may likewise create a difficult situation, especially if this is perceived as Gulf repudiation of Syria and if the Syrian-Iranian relationship intensifies. In this case, the Middle East could witness yet another dramatic change in the regional balance and with it a new constellation of threats.

There is a potential for Syrian moderation to deteriorate over time if Western and Gulf political encouragement and economic assistance are not forthcoming. Indeed, in the spring of 1992, Assad reverted to a more combative rhetoric, accusing the United States of "adopting the laws of the jungle" and "behaving like wild animals."¹⁰ The language was a result of U.S. threats to seize a ship reportedly heading for Syria with SCUD missiles purchased from North Korea. The rhetoric was most likely intended primarily for regional consumption, however, i.e., to demonstrate Assad's ability to stand up to the United States in the name of Arab independence.

¹⁰Foreign Report, April 10, 1992, p. 7.

Other risks to Syria's current direction might be continued Israeli intransigence at the peace table, although this is a less likely occurrence under the new Rabin government in Israel, which appears prepared to discuss territorial compromises. Conversely, Israeli concessions leading to peace could radicalize dissident elements within Syria against conciliation with Israel, despite Assad's grip on the country. Syria will not want to find itself standing alone with Israel. This is a problem shared with other Arab states—Jordan in particular. No state wishes to be the first; there is too much likelihood of being left standing alone, vulnerable to political and economic, not to mention military, retribution from other Arabs. The memory of Egypt's ostracism following its peace with Israel has not been forgotten.

This fear of regional isolation underscores Syrian insistence on a "comprehensive peace" with Israel—a peace settlement in which all Arab parties negotiate all territories occupied by Israel after the 1967 War, including southern Lebanon. On the other hand, both Syrians and Jordanians suspect that the other will cut a deal with Israel for their claim to land, and will then abandon the negotiations.¹¹

Syrian abandonment of the Arab-Israeli peace process could potentially doom U.S. efforts in this direction, with a radicalizing influence on other groups in the region. While the long-term benefits of peace would outweigh the costs for Syria, those short-term costs could be high. They might include difficulty in controlling radical anti-Israel elements and the risk of domestic and regional fallout from continued efforts to negotiate with an Israeli government that refuses to consider total relinquishment of the Golan Heights.

A Syrian retreat from moderation could result in increased radicalism throughout the region, with a possible revival of terrorism and alignment with Iran against Saudi Arabia and the Gulf states. It is also possible that Syria could pose a military threat to the Gulf over time if it allied itself with Iran and, potentially, Yemen, which Saudi Arabia has thoroughly alienated by virtue of its expulsion of close to a million Yemenis during the Gulf War.

Internal threats to the regime, from fundamentalists or from the majority Sunnis, for example, might also steer Syria away from the moderate path. Such threats appear unlikely at this time, however, because of Assad's absolute control of the government. The most dangerous situation would likely be one in which Assad is removed from power, either through coup, illness, or death. There is no obvious successor to Assad at this time, and the struggle for control of the

¹¹ Author's interviews in Syria and Jordan, November 1991.

government, considering the divisions between minority Alawites and majority Sunnis, could be bloody.

Civil strife in Syria might have a number of implications for the Middle East directly and for U.S. interests indirectly. Syria is currently involved in continuing low-level tensions with neighboring Israel and Turkey. These disputes range from political opposition to Israel to quarrels over water usage and Syrian support for Kurdish terrorist groups in Turkey. The historic unease between Syria and Jordan has frequently erupted into border disputes. Syrian support for the Tunisian-based PLO leadership has also frayed relations with Jordan and may have future consequences for Palestinians as they sort out the relationship between emerging West Bank Palestinian leadership and Yasir Arafat's position as chairman of the PLO.

All of these relationships are at present maintained in an equilibrium maintained by President Assad's control of Syria's political and military mechanisms. If this control is removed and replaced by civil disorders and the collapse into factionalism of the minority Alawite-controlled Syrian government, the chances are good that radicals will carry the day, at least in the short term. Radicalism is likely to spill over into Syria's relationships in the region, giving new energy to terrorism, reopening ideological opposition to Israel, menacing Jordan, inflaming the Kurds, and posing serious dilemmas on the Saudi border. The problem would be exacerbated for the Saudis if Syrian troops were eventually to be included in a Gulf military force—which is surely a primary reason for Saudi reluctance to consent to the GCC + 2 plan. Chaos in Syria would also affect trade and debt payments to external countries, especially to Western Europe.

For the short term, however, Assad appears to be in complete control in Syria, and embarked on a moderate—and very pragmatic—course to integrate Syria into the region. The pragmatism arises from a recognition that, at present, there is nowhere else to turn but the West. Strengthened ties with a reconstituted Iran, however, as well as improved relations with the Gulf, could give Syria new and different options in the future as it seeks to pursue its own interests in the Middle East.

Syria's Relations with the Gulf

Syrian support of Iran during the Iran-Iraq War influenced Syrian-Gulf relations and cost Syria much-needed economic support. Syria had received sizable funding from both the Gulf states and Iran. Following the Baghdad Summit of 1978, the Gulf states pledged a yearly stipend of \$1.8 billion to Syria. They rarely

delivered on the total amount, because of both their own internal situations and Syria's often disapproved-of foreign policies, the most distasteful of all being their support of Iran. However, Iranian aid was significant—as much as \$1 billion in some years, most of it in the form of free oil. Although Syria received intermittent funding from the Arab Fund for Economic and Social Development, the Kuwait Fund for Arab Economic Development, and the Saudi Fund for Development, these funds were frozen in June of 1986 as a result of both political factors and Syria's increasing payment arrears. Syrian political rehabilitation, however, has unblocked some \$2 billion in financial aid from the Gulf, with promises of more to follow.¹² In turn, Syria's need for financial aid may act as a restraint against radical tendencies.

Nonetheless, a traditional rivalry exists between Syria and the Gulf states. More important, however, there is great sympathy between Iran and Syria. In a competition for Gulf leadership between Saudi Arabia and Iran, Syria is almost certain to throw its weight—and its military machine—behind Iran. This historic rivalry and the Iranian connection were likely determinants in the Gulf retreat from the March 1991 Damascus agreement, which would have stationed Syrian troops in the Gulf. Aside from Syrian secularist attitudes, which are repugnant to the Gulf states, particularly Saudi Arabia, the potential for future competition with Iran would be complicated in the extreme by the presence of Syrian troops in the Gulf.

The Syrian-Iranian relationship has been somewhat curious. Iran, with its revolutionary Islamic government, is an unlikely partner for the secular Ba'athist government of Syria. But both share an implacable hostility toward Iraq, especially toward Saddam Hussein. Both countries, also, have been bitter foes of Israel and supporters of terrorist groups who have helped to fan the fires of confrontation. For Iran, Syria has served as a conduit to the Arab heartland—demonstrated most visibly in Lebanon, where the two countries have worked in tandem to establish influence over various factions and where Syria provided Iran with connections to fundamentalist groups, such as Hizbollah. Syria has also been one of the few countries to remain on speaking terms with Iran after the 1979 revolution. Syrian support for Iran during the Iran-Iraq War also helped the Iranian government overcome its distaste for Ba'athist politics. For Syria, alliance with Iran has enhanced its leadership stature as an opponent to Iraq and has also bolstered Hafez al-Assad's minority Alawite regime among the

¹²Economist Intelligence Unit, *Syria: Country Profile 1991-1992*, London: Business International, December 1991, p. 52.

fundamentalists in Syria—an unacknowledged but potentially potent opposition group.

As Iran continues its recovery from the Iran-Iraq War and seeks regional recognition and stature, Syria can provide a much-needed *entré* to the Arab World, especially since Syria has advanced its own standing in the past two years. Iran, like Syria, is currently engaged in pursuing its ends through pragmatic means—economic, political, and religious overtures, rather than the military ones that it is currently ill-equipped to utilize. Syria, because of its moves toward the West, may also provide Iran with a bridge to the West and a channel leading to eventual resumption of valuable trade relations. It can potentially provide a conduit between the United States and Iran as well, enabling both countries to resume relations gradually, without seemingly abrupt public policy changes. Again, much will depend on the outcome of the most recent Iraqi crisis, in August 1992, and Syrian and Iranian actions in the event of a possible partition of Iraq.

Syrian movement into the Arab mainstream, however, and its moderation of radical politics, may do much to ease old tensions with the Gulf states. Additionally, there is the fact that Syrian troops actually fought alongside Saudi troops during the Gulf War.¹³ While old enmities are not forgotten in the Middle East, neither are old debts.

¹³Although Syrian troops did not enter Iraq.

4. Jordan's Uncertain Future

Because of its political and moral support of Iraq during the Gulf crisis, Jordan emerged as one of the war's "losers." The country continues to suffer political and economic isolation that could lead, in the worst case, to its disintegration. Even in the best case, this isolation could lead to extended time of economic dislocation. Jordan's political and economic survival will depend on both internal and external forces—and the king's leadership abilities will be critical.

Jordan's main focus is on regime preservation in the face of economic crisis, political isolation, and renewed Palestinian ties, both politically and through the Gulf refugees. The king will likely continue to seek a balance among Jordanian nationalists, Palestinians, and fundamentalists, who pose a growing threat to the nature of the Jordanian state. Because of its demography, as well as its geostrategic position, Jordan will continue to be at the mercy of external political and economic events. The potential is high for internal instability in Jordan and for the extension of instability to Palestinians throughout the region.

The Jordanian Rationale During the Gulf Crisis

Jordan's support of Iraq during the Gulf crisis was based on ideological, political, and economic motives. King Hussein's great pride in his Arab heritage and his strong belief that Arabs should handle their own affairs dictated the kingdom's resistance to what was perceived as Western interference. In addition to a belief that allied actions were against the interests of the Arab people, King Hussein also felt bitter over condemnation by other regional states. Syria, for example, has in the past consistently criticized the king for his cooperation with the West, particularly the United States. Yet Syria's cooperation with the Western alliance brought only praise, and a discounting of Syria's continued links with radical and terrorist groups.

In addition to ideological reasons, strong political and economic factors were also involved. Chief among these was the majority Palestinian population of Jordan, which was vociferously pro-Iraq during the course of the Gulf crisis. Palestinians now number in excess of 60 percent of the Jordanian population; figures may actually run as high as 80 percent because of the migration of close to 300,000 Palestinians from the Gulf to Jordan since August 1990. Another major concern for Jordan was that Iraq was its chief trading partner, accounting for some 70

percent of its export trade and over 40 percent of its Aqaba port trade. An additional large market was the Gulf, and this trade has also withered.

The end result of Jordan's support of Iraq was the removal or reduction of almost all sources of revenue for the kingdom. These sources of revenue included

- Payments from Saudi Arabia and the Gulf states
- Trade with Iraq
- Port trade through Aqaba
- Remittances from expatriate workers in the Gulf
- Tourism.

Directly or indirectly, every sector of the Jordanian economy was severely damaged.¹ While some of these sectors, e.g., the Aqaba trade, can be expected to recover in the near term, recovery in others may be much slower. Saudi Arabia and Kuwait, for example, remain bitterly angry with Jordan and have so far resisted efforts to resume their support of either Jordan or the Palestinians, although some trade between Jordan and Saudi Arabia was reportedly revived following the Madrid Conference in October 1991. In addition, Jordanian workers have been refused readmittance to the Gulf, which caused the Jordanian unemployment rate to rise in the short term from an already-problematic 20 percent to approximately 35 to 40 percent.² Many of the unemployed are university graduates as well, which could pose a potential political problem to the king's regime, since they include a large and focused group of young people with high expectations and few prospects.

The removal of its primary sources of income compounded Jordan's economic woes, which existed before the crisis, but which have been aggravated into a potential catastrophe as its result. With few natural resources beyond its manpower, Jordan is thus at the economic mercy of its markets. Additionally, because of its geostrategic position and its demography, surrounded by larger states with more powerful militaries, Jordan is at the political and military mercy of its neighbors.

Despite the historical record of relations between the United States and Jordan, and despite what the king believed should have been Western understanding of his political and economic dilemmas, King Hussein felt abandoned as he took a

¹Sara O'Neil, "Caught in the Middle," *The Middle East*, February 1991, p. 25.

²Economic reports in late 1992 indicate an unemployment rate of 20 to 24 percent, a significant reduction from 1991, but still troublesome.

position counter to the American one during the Gulf crisis. Also, the Israeli moderates, with whom the king has had an ongoing relationship for years, became either submerged in or assimilated by Israeli conservatives, who saw Palestinian and Jordanian support of Iraq as proof that they were untrustworthy allies for the future.

Jordan's long-term survival depends on a number of factors, including economic recovery and readmission into the regional power system. Continued inclusion in the Arab-Israeli peace process is also a concern for Jordan, as is avoidance of the "Jordan is Palestine" concept. Many Jordanians believe that their agreement to field a joint Jordanian-Palestinian delegation to the Madrid Conference represented a step backward, to a blurring of distinction between Jordanians and Palestinians. The increasing number of Israeli settlements has been a major worry for Jordan as well. The Jordanian fear is that Israeli creation of "facts on the ground" will undermine any real basis for negotiation of a Palestinian entity separate from Jordan and will lead to compromise of the integrity of the Jordanian state.

In the immediate future, however, the king's ability to maintain an equilibrium among fundamentalists, Palestinians, and nationalists in Jordan's government will be a primary challenge.

Internal Challenges: Major Political Groups

The resolution of differences between these three major groups—fundamentalists, Palestinians, and Jordanian nationalists—is critical to maintaining a viable and sovereign Jordanian state. Each of these groups reflects an aspect of Jordanian political reality.

As in the rest of the Middle East, fundamentalism has gained a number of adherents in Jordan. Muslim Brotherhood members are now a majority of the Jordanian parliament and for a time controlled several key posts in government, including the Ministry of Education. There have been reports of changes in textbooks and decrees separating male and female office staff in government offices. For the fundamentalists, the creation of a "pure" Islamic state in Jordan, based on the Koran and operating under Muslim law, or *sharia*, is the main item on the political agenda.³

³As a personal observation, during a visit to Jordan in November 1991, I noticed a sharp increase since my 1985 trip in the number of women in veils, head-scarves, and full Arab dress. Even at the University of Jordan, many women wore long dresses, veils, and even masks and gloves, something I had not seen in previous visits. Many professional women with whom I spoke are most

To control this group, the king in mid-1991 named Foreign Minister Tahir Masri to the position of prime minister. Masri, who is Palestinian, had been well-received by both Western governments and the Saudis in the past, and his charter from the king was to form a new government that excluded Muslim Brothers.⁴ By his choice of Masri, the king sent several messages. To the Brotherhood, the message was "thus far and no further." While the fundamentalists will be allowed to participate in the government, they will not be allowed to take it over. Additionally, Masri's appointment told the Palestinians that their political clout and representation had increased, while it told the Saudis that Jordan was open to reconciliation. The message told Israel that Jordan was ready to move forward on the peace process—Masri's predecessor, Mudar Badran, was openly supportive of Saddam and opposed to settlement with Israel.

Masri accomplished some of these goals: He blunted the fundamentalist thrust and brought the Saudis back as trade partners, if not aid donors. However, his differences with the fundamentalists, as well as disputes over Jordanian participation in the Madrid Conference and the choosing of Cabinet officers, brought about Masri's resignation in November 1991. Masri was replaced by Sherif Zaid bin Shaker, the king's cousin, a former prime minister, and an acceptable choice to all parties. Bin Shaker began by making peace with the fundamentalists, obtaining a reduction in sentence for twelve militants who had been sentenced to death. Also, the government did not oppose the reelection of the Muslim Brotherhood's Abdellatif Arabiyat to the speakership of the Parliament. In return, it is expected that the Brotherhood's 23 members of the 80-member Parliament will reduce their opposition to the government.⁵

The influence of the fundamentalists cannot be discounted, however, and future conflicts with the Muslim Brotherhood are likely. For example, in August 1991, the Islamist members of Parliament successfully opposed proposals that would allow foreign investment into Jordan, on the basis that the country could become dependent on foreign powers.⁶ In addition, the lower house of Parliament

concerned over this return to traditional dress and view it as a political statement, endorsing the growing fundamentalist movement in Jordan. Other women, however, see it as a form of sexual protection as women enter more fully into Arab professional life. Several government officials also see the increased veiling of women as a social statement rather than a political one. My own opinion is that it is both, and that it reflects the continuing challenge that Arab women face in achieving political, professional, and personal freedoms.

⁴Joel Brinkley, "Jordanian King Moves to Isolate Islamic Militants," *New York Times*, June 19, 1991, p. 3.

⁵"Bin Shaker Woos Islamists," *Mideast Mirror*, December 6, 1991, p. 13.

⁶"Jordan," *MEED*, August 16, 1991, p. 24.

passed a resolution condemning the government's acceptance of the Baker peace conference plan.

The Algerian election of December 1991 and the resulting cancellation of the election results by a government heavily influenced by the military are bound to affect the Jordanian fundamentalists. If fundamentalist Algerian leaders had been allowed to develop a government based on the *sharia* and implement conservative Muslim social restrictions, it would have been a great incentive for fundamentalists in both Jordan and Egypt to push for the same. In Jordan, particularly, this could upset the uneasy balance that is now maintained. Thus, the Hashemite regime and the Jordanian nationalists breathed a sigh of relief when the Algerian government canceled the runoff elections that would have surely resulted in a fundamentalist government. However, the reaction to this governmental action in Algeria and in the region has been severely disquieting and has invigorated fundamentalist groups that have been repressed in both Jordan and Egypt.⁷

The Palestinians have a quite different agenda from the fundamentalists. Comprising the majority of the Jordanian population, this group is focused almost exclusively on resolution of the Arab-Israeli dispute. Because of this focus, the Palestinians have always presented the Hashemite regime with a challenge. Their numbers mandate that Palestinian concerns find resonance in Jordanian policies, yet allowing these concerns to dominate might overwhelm the regime and turn Jordan into a Palestinian state. Thus, the king's policy for decades has been both to control the Palestinians and to integrate them into Jordanian political, as well as economic, life. This has enabled the monarchy to act as a control on the direction of Palestinian aspirations. However, with the infusion of almost 300,000 Palestinians into Jordan as a result of the Gulf crisis, and with many of these newcomers possessing radical beliefs, the king's attempts at balance may come undone.

At the same time, the king's goal of integrating the Palestinians into Jordanian life has encouraged the growth of Jordanian nationalism that knits together the desires of moderate Palestinians and fundamentalists with those of the East Bankers and Bedouin families who were the monarchy's original supporters. Jordanian census figures, for example, do not differentiate between Jordanians and Palestinians, nor are official sociological data on the two groups available.

⁷On the other hand, a May 1992 municipal election in Irbid, Jordan's second-largest city, saw a Reformist landslide over the Islamic bloc, which had dominated the municipal council for twelve years. The election results have been variously interpreted, with many Jordanian analysts believing that the well-financed Islamic movement remains organizationally strong but that it has lost ground on the grass roots level because it does not offer a viable alternative to the present system.

The nationalists' political objective is the preservation and modernization of Jordan as an independent sovereign state. As noted above, this group is watchful of the fundamentalists and also wary of the Palestinians, especially in the context of the U.S.-sponsored peace conference, which has yoked the two groups together in a closer association than the nationalists would prefer. While Jordan will always have a strong interest in the Palestinian cause and its objectives—indeed, it has no choice but to be interested—the issues of sovereignty and national identity are critical to the nationalists.⁸

Members of all groups have been involved in the democratization process under way in Jordan for the past two years. The result of this process has been government allowance of greater personal freedoms and the drafting and acceptance of a national charter for the state that sets out guidelines for Jordan's political and social life.

The nature of the future Jordanian state, as well as its ultimate survival, is affected by external, as well as internal, forces. Because of Jordan's economic dependence and the ties between large segments of the Jordanian population and externally focused groups and objectives, outside forces can have critical consequences for Jordan's internal life. Thus, continued economic problems arising from Jordan's external political ostracism can potentially threaten the regime if groups to the left or the right, with their divergent political agendas, seize power either through legitimate political processes or through a *coup d'état*.

Jordan's Future

One of the possible alternatives for Jordan is a continuation of the present regime under King Hussein and his successor, Crown Prince Hassan, which is likely to lead in future to a constitutional monarchy, in which the king is a figurehead and real power is exercised by the parliament. The influence of fundamentalists in parliament is likely to be kept in check in the near term by the king, although a failed or drawn-out peace process could result in an upsurge of support for a government less identified with the West. If the peace negotiations proceed with some success, however, the outcome is likely to be Jordanian federation with a new Palestinian entity, an eventuality that can preserve the nature of the Jordanian state, reduce extremist pressures on the government, and satisfy, at least partially, Palestinian aspirations for a separate Palestinian state.

⁸One Jordanian government leader interviewed by the author stated that the day in 1988 that King Hussein relinquished Jordanian claims to the West Bank was "independence day for Jordan."

However, the potential exists for a violent takeover of the Jordanian government even if the peace process produces moderate success and movement toward creation of a Palestinian state. But this possibility is offset by the evident pride that Jordanians—Palestinians, East Bankers, and Bedouin—take in the achievements they have made toward participatory government since 1989.

It is, of course, possible that settlement of the Arab-Israeli problem through a Jordanian-Palestinian confederation could ultimately lead to a complete takeover of both entities by Palestinians. There are two important factors to consider in this eventuality: First, the number of Palestinians in Jordan is so high, as a result of both the composition of the country and the influx of Gulf War refugees, that Palestinians are likely to occupy the majority of government positions in Jordan within a generation anyway. The second question then becomes one of focus: Will these Palestinians identify primarily with the concept of a Jordanian state, or will their primary loyalty be to the idea of Palestine? The rate of intermarriage between Palestinians and East Bankers, as well as the policy of the Jordanian government not to discriminate either group, indicates that the most likely course is a peaceful transition to majority Palestine rule that will preserve the nature of the Jordanian state, if not its current form of government.

Most Jordanians appear eager for a settlement with Israel—not least because Jordan fears that, in any future conflict, it will become the “killing ground,” in King Hussein’s words. Additionally, Jordan, as well as other Arab countries, is well aware that the struggle with Israel is economically damaging and that the continuing unstable situation in the region prevents the creation of an environment that might attract external investors, thus improving the overall gloomy economic picture.

The failure to achieve significant progress in peace negotiations with Israel, the lack of an economic turnaround, and a popular sense that the Hashemite regime has identified itself too closely with Western objectives in the Middle East could be the catalysts to a period of political and social unrest in Jordan. In the worst case, economic catastrophe combined with political disunity could lead to a breakdown of the Jordanian government. Such a breakdown would probably result in a period of political and economic chaos, with rival groups struggling for power. Jordan could thus become a major source of instability in the Middle East, posing security problems especially for the neighboring states of Israel and Saudi Arabia. It is possible as well that Syria might seek to take territorial advantage of any breakdown in the Jordanian government, based on both the old enmity between Hafez al-Assad and King Hussein and the dream of Greater Syria, which is still alive and well in Damascus.

Also possible is an alliance between the fundamentalists and extremist Palestinian groups, such as Hamas on the West Bank. The Jordanian Muslim Brotherhood is already known to be sympathetic to this group. Such an alliance would probably be temporary, since the groups ultimately have diverging goals. In the interim, however, such a union could be fatal to the Hashemite regime and would propel Jordan into a far more radical and destabilizing position.

In the short term, the king should be secure. He achieved unprecedented popularity from his wartime position both within Jordan and with a sizable Palestinian constituency outside of Jordan. He is at the peak of his popular support. In the longer term, however, should Jordan not reconcile with its neighbors, this popularity could change for a number of reasons, including the following:

- Increasing economic dysfunction and the possibility of breakdown
- Growth in fundamentalism, with the possibility of radicalizing the government
- Growth in both the number of Palestinians in Jordan and their focus on the Israeli-Palestinian dispute to the exclusion of national Jordanian problems
- Increasing radicalization of the government, if political and economic isolation continues.

Jordan and the Gulf States

A Jordan under extremist rule, whether by Palestinians or fundamentalists, could present a special threat to the Gulf because of its geographic proximity and because of the retribution the Gulf has exacted from Palestinians and Jordanians in the Gulf War's aftermath—retribution that is deeply resented in Jordan. Jordan has depended economically on the Gulf states, especially Saudi Arabia, for decades. This dependence was manifested through trade, through expatriate Jordanian labor in the Gulf, and through outright grants from the Saudis. As noted above, most of this revenue has disappeared since the beginning of the Gulf crisis in 1990, when Amman opposed the Saudi invitation to external powers and the application of extra-regional force in the Gulf.

The Saudi reaction to Jordan's political stance during the crisis was but the latest chapter in a Saudi-Hashemite battle that dates from early in this century. King Hussein's great-grandfather was Hussein bin Ali, who claimed descent from Mohammed and who was king of the Hijaz from 1916 until 1924, when he was

overthrown and driven out by Abdelaziz bin Saud, founder of Saudi Arabia and father of King Fahd.

The most recent eruption of animosity between the two countries came about as the result of Riyadh's offer to renovate Arab holy sites in Jerusalem through UNESCO. Amman responded with a reminder that Jordan has traditionally acted as custodian of Jerusalem's holy places. King Hussein demanded that the Saudi offer be withdrawn, and insisted that any money for restoration be funneled through Jordan. Bypassing Jordan and going through an international organization, said Jordanian officials, would open the door to internationalization of the city and to potential Israeli claims to custodianship of Islam's third-holiest shrine. The squabble between Saudi Arabia and Jordan continues as of this writing, with increasingly nasty attacks on each side.

Nonetheless, the ties between Jordan and the Gulf have been close, if only because of Jordan's economic reliance on Saudi Arabia. The question continues to be whether an accommodation can be made between the two, or whether Jordan will evolve into a clear and present danger to the Gulf as a result of economic breakdown and potential political realignment.

It is ironic that a stable and secure Jordan is of little intrinsic political interest to the security of the region as a whole, while a destabilized or hostile Jordan could be of profound significance indeed. Because of Jordan's geostrategic and demographic characteristics, such a state could threaten the security of all its neighbors, since conflict would almost certainly not be confined within its borders. Dysfunction in Jordan would skew the regional balance, and both aggravate and multiply the current problems of the Middle East.

5. The Arab World and the Gulf: Shared Vulnerabilities and Common Interests

For the past several decades, the non-Gulf Arab states have been affected significantly by the Gulf states—especially Saudi Arabia, which has been a powerful religious and cultural force in the Arab world. The Saudis, in particular, have a strong belief in their role as guardians of the Muslim faith, and this belief guides their foreign and domestic policies, as well as their relations with other states. Saudi self-perception has also led the Gulf to play a major role in assisting poorer states in the region and in influencing regional policies through oil wealth, as well as through religious persuasion.

Threats and Interests

The Saudi connection to other Middle Eastern states has been strengthened by a perception of common regional threats, as well as by a sense of shared vulnerabilities to superpowers. Memories of imperialism, colonialism, and economic exploitation are still vivid in the Middle East, and extra-regional interest is of immediate concern to all states in the region. While oil has been the primary focus of outside powers in recent decades, the Middle East has also been used as a foil in the East-West conflict, with both the United States and the Soviet Union engaged in a competition for regional allies. As a consequence of this competition, Middle Eastern states not only acquired armaments in excess of their needs, but also tended to play the United States and the Soviet Union off against each other. Regional states gained arms and agreements from the superpowers as superpowers attempted to balance their spheres of influence. The diminishing of Soviet influence in the region, as well as the development of a new relationship between Moscow and Washington, led to both a decrease in focus on the region as an arena for superpower confrontation and to a perception of a power void, which Saddam Hussein attempted to fill.

In general, Middle Eastern regimes fear loss of control once again to outside powers—or to such forces as fundamentalism or radicalism—that could sweep away current structures. There is concern over alliances within the region—or between regional states and external powers—that could threaten established interests and assets, and that could affect regime security. And there are fears

that one state, such as Iraq or Iran, might achieve disproportionate power in the region and menace the interests of other states.

To avert some of these threats, Gulf states have supported the economies of poorer states such as Jordan, Yemen, and Egypt, and provided a religious and cultural focus for the Muslim world. In return, the non-Gulf Arabs provided labor forces and military personnel for the Gulf states. In essence, a cooperative system was developed: the Gulf provided economic and moral leadership, and the poorer non-Gulf states provided military and labor forces to support Gulf regimes.

In this respect, the Gulf, especially Saudi Arabia, has been until now a major political and financial supporter of the Palestinians and has been a main backer of the Palestine Liberation Organization. In addition to financial support, the Saudis have provided moral and diplomatic support for the Palestinian cause; examples are the Saudi mediation in Lebanon in 1982, and the Fahd peace plan, also offered in 1982. Saudi funding of any Palestinian entity or state may well be a key factor in its establishment and survival. The withdrawal of Saudi financial support following the Gulf War, in fact, has had a devastating effect on the Palestinians and the PLO, as well as on the economy of the West Bank.

In addition to the Palestinians, Saudi Arabia has provided overt and covert support to a number of other regional states over the years.¹ For example,

- The Saudis supported the Egyptian break with the USSR from 1969-72.
- They provided funding for U.S. military assistance to North Yemen in 1977.
- They mediated in the Syrian-Jordanian border dispute of 1980.
- They aided Syria, as a counterweight to dependence on the USSR.
- They provided strategic aid to Iraq, Pakistan, Jordan, Somalia, Sudan, and Afghanistan.

Saudi Arabia has a particular interest in settlement of the Arab-Israeli and Arab-Palestinian problem for its own reasons, which include the following:

- The Israeli occupation of Jerusalem, including possession of the al-Aqsa mosque, one of the three holy places²

¹Anthony Cordesman, *The Gulf and the Search for Strategic Stability*, Boulder, Co: Westview Press, 1984.

²Saudi Arabia is guardian of the other two, Mecca and Medina.

- Israeli occupation of the Saudi islands of Tiran and Sanafir as a result of the 1967 War
- The position of Saudi Arabia as a leading moderate state.

The Gulf connection to the rest of the Middle East is thus of long standing and made up of many strands, some of them altruistic, but most of them pragmatic measures to ensure balance in the region and thus stability for Gulf regimes.

Gulf Weaknesses and Intra-Arab Politics

One lesson of the Gulf War was the realization of the inherent military weakness of the Gulf states, and the perception that possession of militarily sophisticated weapons does not guarantee the ability to use them. For the past decade, the Gulf states have purchased a variety of advanced weaponry from a variety of sources. Yet, when threatened by the Iraqi military machine, these states were unable to field the number of either men or equipment that was considered necessary to defend against the estimated Iraqi capability. It quickly became apparent that, if faced with a threat like Iraq's, no individual Gulf state or combination of them could fully ensure strategic stability. This realization provided the impetus for the original GCC + 2 plan to use Egyptian and Syrian troops as the backbone of a Gulf security force.

The Gulf suffers from other vulnerabilities as well. Economic and political ties with other Middle Eastern states, for example, make Gulf states vulnerable to regional divisiveness, and to the internal political upsets of other states, even as they tie the economic fortunes of these states to the survival of existing—and sponsoring—Gulf regimes. Ethnic tensions throughout the region have worsened in the past decade and have been further exacerbated by the war. Radicalism, fundamentalism, and Arab statism, along with the natural pressures for change, have also aggravated divisions among moderates and conservatives, old and emerging elites, locally and Western-educated groups, and rich and poor. Some potential for regime instability exists in all countries in the Middle East, and the Gulf is certain to be affected by such instability because of the multiplicity of its ties with non-Gulf Arab states.

The absence of institutionalized succession policies in most states, not just the Gulf, also means that national policies of states could change with the leadership, as happened in Iran in the transition from the Shah to the Ayatollah Khomeini and in Egypt between the regimes of Nasser and Sadat.

Intra-Arab politics have increasingly blurred subregional distinctions, making the Gulf more sensitive to actions and policies of non-Gulf states. Iraq's emergence as the new Arab power in the early 1980s, for example, was bolstered by the Iranian revolution, the perceived vulnerability of the Gulf Arab states, and the isolation of Egypt following the Camp David accords. It was thus in the strategic interest of the Gulf Arabs to assist in the reintegration of Egypt after Sadat's assassination, for Egypt could thus play a role as counterweight both to Iraq and to the more immediate menace of Iran.³ The Iranian revolution changed Arab alignments and strengthened ties between the Gulf and the states of the interior in other ways as well. While Iran and Syria formed an alliance, Iraq at the same time began to cooperate more closely with Egypt and Jordan. Egypt and Jordan, in turn, solidified their ties, with the resumption of diplomatic relations in 1984.

The primary purpose of the Egyptian-Jordanian-Iraqi relationship was to counter potential Syrian threats. Syria became even more of a concern in the aftermath of the Israeli invasion of Lebanon, as Syrian influence over Lebanon increased. Saudi Arabia, in turn, felt vulnerable to a variety of pressures from Syria and Iran and felt ambivalent toward an Egyptian return to the fold. On the one hand, Egypt could be a valuable counterweight to the Syrian-Iranian alliance—but on the other hand, the Saudis did not wish to see the Egyptians assuming too much power in the region. The Saudis thus attempted to follow a traditional policy of counterbalancing different forces to maximize their influence and freedom of action.⁴

The relationship between the states of the Levant and the Gulf, and the Gulf's vulnerabilities to regional instabilities, is increased by the small size of Gulf populations and the large numbers of expatriate workers. More than one-half the work force in many Gulf states comes from non-Gulf states, many from countries outside the region. Imported to do those jobs that Gulf citizens are unable or unwilling to perform, these foreign populations are without citizenship and isolated from the countries in which they work. They are prime targets for dissident elements. In addition, instabilities in their countries of origin could affect the large worker populations in Gulf countries, destabilize them, and potentially threaten access to oil.

Egypt and Jordan have been among those states with large numbers of expatriate workers in the Gulf. The effect of the war on these "guest workers" has been

³Shireen Hunter, "Inter-Arab Politics," in Robert O. Freedman (ed.), *The Middle East After the Invasion of Lebanon*, Syracuse: Syracuse University Press, 1986.

⁴*Ibid.*

crippling for both countries—as well as for Yemen, Sudan, and the Palestinians. The outlooks for Egypt and Jordan are quite different: While Egypt expects to increase the number of its workers in the Gulf, Jordan—as well as Yemen, the Sudan, and the Palestinians—expect no such welcome return to the *status quo*. In all cases, however, it is the Gulf states that hold the cards, by virtue of their wealth. Thus, even as non-Gulf Arab states can affect Gulf political security, the Gulf states can affect the economic security of the Levant. Threats to economic security can well be the harbingers of political troubles as well.

6. U.S. Policy in the Levant

The war in the Gulf, the disintegration of the Soviet Union, and the Middle East peace conference have involved the United States in the future of the Middle East to an unparalleled extent. Because of this, as well as the necessity to protect U.S. interests in the Gulf, it is to U.S. advantage to seek out ways to help stabilize the Middle East. Continued global dependence on oil rests upon a degree of local political stability to ensure access. Political stability in the oil region is, in turn, inextricably linked to stability in the remainder of the Middle East. Because of the political, military, social, and economic interconnections of the Middle East, the stability of one state affects all states.

In general, the Middle East is likely to remain, in the near term at least, a potential arena for conflict. Long-standing sectarian, ethnic, political, and economic problems are likely to lead to continued increases in arms purchases by those states that can afford them and to emphasis on indigenous manufacture of weapons by less wealthy states, such as Egypt. One lesson of the Gulf War was the accuracy and lethality of sophisticated weapons; such weapons are likely to be objects of acquisition for the region as a whole. The continued arms buildup, combined with the pressure of unresolved endemic regional problems, does not present a peaceful prognosis for the Middle East in either the short or the long term. The one glimmer of hope would be a successful outcome to the U.S.-sponsored peace process, which would have a major effect not only on the Arab-Israeli-Palestinian problem but on the myriad other regional problems that it obscures. The search for solutions to these problems has been subordinated to the search for peace and in the process has become so entangled with the Arab-Israeli dilemma that little long-term progress can be made on them until the larger problem is solved.

In the immediate post-war period, the tendency has been for the winners to punish the losers. In Jordan's case, for example, its primary sources of income from the Gulf states were cut off during the war and have not been restored, plunging the kingdom into grave economic crisis. Even for the winners, however, the rewards have not yet equaled expectations. Economic benefits to Egypt and Syria, such as reconstruction contracts and skilled remittance work, have been extremely slow in coming and may not fulfill original expectations if and when they do.

This disappointment of expectations could have repercussions throughout the region. There is already evidence, from statements of regional politicians as well as analysts, that the polarization between Gulf and non-Gulf Arabs, the "haves" and "have-nots," is increasing. The Arab unity that followed the Gulf War may be sinking back into mistrust and recriminations. The ideological confusion, political dissatisfaction, and social tensions that have long characterized the Arab world have been both exposed and aggravated by the Gulf War.

For Mubarak's regime, the claim of increasingly influential fundamentalist groups that Egypt has no business in the Gulf may be strengthened. For Syria, the denial of expected rewards could lead to a reversal in recent moderate policies. The continued isolation of Jordan can have economic and political implications for the entire region because of Jordan's geostrategic position and its heavily Palestinian population. Instability in Jordan presents the possibility of radicalizing existing elements and forcing alliances with less moderate states in the region.

United States Interests and Influence

The United States, both alone and in concert with other nations and organizations, such as the United Nations, has a number of tools with which to assist the states of the Levant resolve their economic, political, and military problems. These levers range from economic assistance on both the public and private levels to political influence over arms transfers. The development of effective policies depends on clear articulation of U.S. objectives in the Middle East, an understanding of the root causes of conflicts, judicious assessment of conflict resolution measures, and the will to effect change where the United States can reasonably expect to influence outcomes.

At the same time, each state in the Middle East labors under constraints, both external and internal, that can complicate its reception of U.S. support, as well as its reciprocal actions. In Egypt and Jordan, for example, the Muslim Brotherhood attracts a significant number of followers. The pressure of these groups, largely anti-Israel and anti-West, can make it difficult indeed for regimes to cooperate with the West in such areas as extending participatory government, dealing with Israel, or achieving arms control agreements. An additional consideration is that many Arabs may well see U.S. requirements that governments make major changes in their political and economic processes to receive American support as neocolonialism and extraregional interference. No Arab state wants to be seen by its sister states as a tool or client state of the West.

The Algerian election experience, for example, may result in an upsurge of radical fundamentalism throughout the Levant as Muslim groups interpret the outcome to mean that Western political methods do not work in the Middle East and that they may not be able to gain power through legitimate means. The Algerian government's repudiation of the vote and subsequent repression of fundamentalist political parties may also tempt regimes in Egypt and Jordan to follow Algeria's lead and repress their own fundamentalist groups more severely, actions that would force these groups underground, deny them legitimate outlets for expression, and likely increase their threat to existing governments.

From the American perspective, the various experiments in democratic processes now under way in the Jordan, Egypt, and the rest of the Arab world pose a new set of problems. On the one hand, the United States wishes to encourage popular participation in regional governments as an extension of democratic principles. On the other hand, a hostile fundamentalist government in the Middle East could complicate if not derail the pursuit of legitimate U.S. interests in the region, as happened a decade ago with Iran. The low-key response of the U.S. government to the Algerian election debacle indicates the ambivalence in U.S. policy toward this question. In reality, the current Algerian government crisis is one of many similar situations in the Middle East with which the United States will have to deal in the future. Fundamentalism cannot be wished away. Neither can we avoid the possibility that the democratic processes that the United States espouses may lead to the election of potentially undemocratic regimes. U.S. acceptance or denial of the results of these processes can have a profound effect on the development of democracy in the Middle East and in all emerging countries.

The simple solution for the United States may seem to be to leave well enough alone, to maintain the status quo, and to concentrate on threats to U.S. interests only as they arise. This report maintains that such a position transforms foreign policy into little more than crisis management, a posture that leaves the United States open to disconcerting surprises and unnecessary stresses upon both decisionmakers and the assets they may eventually have to coordinate and move to cope with the unfortunate consequences of surprise. A more constructive approach, we believe, is one that encompasses the scope of Middle East problems and judiciously chooses those upon which the United States can have the most long-term effects, based upon U.S. interests and expendable resources.

The development of U.S. policy must also be an outgrowth of and consistent with America's democratic beliefs. It is an uncomfortable fact that many Arabs believe that the United States has a double standard in regard to the Middle East:

While the United States proclaims the value and desirability of democracy and democratic ideals, it supports existing regimes that continue to repress the legitimate desires of their populations. By virtue of its unprecedented standing in the Middle East at present, the United States has the opportunity to influence the growth of the democratic practices that form the core of U.S. political beliefs and that ideally shape our relationships with each other and with the world. This influence can take the form of insistence that countries that receive U.S. assistance, whether it is political, diplomatic, military, or economic, behave in accountable and measurable ways toward the people they govern; that political processes be opened to greater participation; that freedom of speech and movement not be curtailed; that human rights be respected.

The United States needs to ally itself with the legitimate aspirations of populations for responsible government rather than with the aspirations of individual regimes. While the most direct and discernible objects of U.S. interest in the Middle East are the security of access to oil and the protection of the national identities of those states to which it is linked by special relationships, America has a broader interest in the extension of democratic ideals to peoples who are ready to embrace them. The United States does a disservice to itself, as well as to those dependent upon it, if the policy focus is narrowed to those areas that produce immediate benefits but do nothing to reconstruct the societal bases that produce healthy political and economic environments.

The United States can affect many problems in only marginal ways—internal problems deeply rooted in tribal, religious, or cultural patterns and behavior, for example. Some categories of problems are clearly beyond the interest or influence of the United States. Some of these problems include sectarian rivalries, low-level boundary disputes, religious differences, and legitimate regime changes. But there are other circumstances in which the United States can offer example, technical assistance, education, diplomatic support, and limited economic assistance, either at the government level or through private industry. In many of these cases, U.S. assistance, of whatever kind, can be overtly conditional, i.e., linked to changes in behavior on the part of states in return for U.S. support.

Together with understanding the range of regional problems, therefore, the United States needs to understand which problems it can best affect—an endeavor that sometimes may be more of an art than a skill. U.S. support for internal processes thus needs to proceed carefully and with an appreciation of internal political realities that could produce results negative for U.S. policy. The United States should also anticipate that the transition to democracy will move at different paces in different countries and that it will bring some measure of

instability along with it, as old systems convert to new ones and behavioral patterns change. The difficulty lies in gauging whether a given level of unrest threatens U.S. interests and objectives. Because each state has different political and economic motives and drivers, each case of instability may be different, and each will require individual analysis based on understanding of the state and its relationships in the region. The United States must be willing to accept the fact that instabilities will be associated with transition, but that these instabilities are likely to be moderated over time if attention is paid to the causes, rather than the symptoms, of unrest.

For the Middle East as a whole and for the Levant in particular, the most helpful short-term U.S. action will be continued engagement in the peace process. For Egypt, Jordan, and Syria—and in Israel as well—the transition to regional political stability holds the promise of eventual economic stability, which can serve as an underpinning for defusing social unrest. Because of domestic constraints, U.S. assistance to the Middle East is not likely to take the form of substantial economic grants or loans. Neither are massive funding transfers necessarily the best way to strengthen regional stability. Rather, changes in regional economic policies are required, which the United States can affect. Some examples of ways that the United States can influence regional governments and policies include¹

- U.S. government recognition and public praise for increased participation in local governments, as in Egypt and Jordan, combined with public and private diplomatic pressure on regimes moving only reluctantly or not at all in this direction.
- Limited economic assistance in the form of special grants, loans, and trade agreements with countries, such as Egypt, moving toward open societies. This assistance can come through government agencies or through private ones, with the government encouraging private ventures in the Levant through tax credits, debt restructuring, and aid programs, as well as through sharing technical experience through aid and assistance programs. The United States can also encourage its European and Asian allies to participate in the economic liberalization of the Middle East.
- Reemphasizing aid programs that are conditioned on an expansion of accountability and local management and control, while recognizing the

¹For a comprehensive discussion of economic measures that could be implemented in the Middle East by both government and private industry, see Jean Abi-Nadr (Coordinator), *Coalition for Post-War U.S. Policy in the Middle East, Towards A New Middle East: Peace and Post-War U.S. Policy*, Washington, D.C., March 1991.

political and social stresses that governments perceive as they attempt to implement change. Egypt, again, is a prime candidate for this kind of economic strategy.² Existing USAID programs in Egypt have consistently stressed the need for reforms in this area.

- Tying assistance to programs that emphasize interstate and interregional economic and commercial activity and that lessen state control on labor, resource, and capital movement. Both Egypt and Syria would benefit from this type of assistance.
- Working with international, nonregional allies to contain arms transfers to the region, in terms of both quality and quantity, through controls on major suppliers. The five permanent members of the UN Security Council are among the most prolific suppliers of arms to the Middle East, the most heavily armed region of the world. Providing more and better weapons to this volatile region, which is laced with internecine disputes, is tantamount to throwing kerosene on a smoldering fire. In the Middle East, arms bought are likely to be arms used, and arms used can lead to potential U.S. intervention, as we should have learned from Saddam Hussein. The United States should take the lead in reducing the flow of arms to the Middle East and should, as well, make serious efforts toward a reduction in the number and kinds of weapons available to the region. One available avenue is the multilateral talks that are part of the overall Arab-Israeli peace process. The United States can exert significant influence on these proceedings.
- Encouraging movements toward democratization in all states, as well as the growth of institutionalized channels of succession. Through declaratory policies supporting democratic principles and linking American support to political change, the United States can emphasize the importance of peaceful political transitions. It can also avoid the overidentification with regimes that can have adverse affects on U.S. policy if and when those regimes are toppled. Acknowledging national and regional Arab aspirations, such as the desire for more equitable distribution of wealth and the growing demands of regional populations for popular governmental participation, also aligns the United States more squarely with enduring elements of state societies.

²Sadowski, *op. cit.*, p. 312. Sadowski's analysis of the symbiotic relationship between business and bureaucracy is an excellent exposition of Egyptian difficulties in coming to terms with its economic problems.

U.S. Relations with Egypt

The United States has had a basically cordial relationship with Egypt for many years, especially since the Sadat period and the Camp David accords. Indeed, Egypt is the second-largest recipient of U.S. foreign aid, after Israel. Egypt, in turn, has provided political and diplomatic support for U.S. Middle East policies and has provided military support, such as bases, overflight rights, and leadership in the coalition against Saddam Hussein. As a reward for Egypt's cooperation with the coalition, the United States and the European Community have forgiven almost half of Egypt's large foreign debt. Yet the cancellation of this debt, while undoubtedly a generous gesture, points out one of Egypt's major problems, the ossification of its bureaucracy. It is not clear that the Egyptian economy will receive full benefits of the debt forgiveness because of the layers of bureaucracy through which it must filter. Also, Egypt's pressing and ever-increasing current needs may soak up any available funds before they can produce reforms.

U.S. policy toward Egypt must be concerned not only with political objectives, but with the manner in which politics, economics, and bureaucracy are interwoven and the manner in which they act upon each other. The Egyptian government, for example, has taken a gradualist approach to much-needed economic reform; the pace of reform has been set as much by the interrelationship between bureaucracy and business in Egypt as by the political objectives of the government. U.S. efforts to provide assistance to Egypt conditioned on bureaucratic restructuring and reformation of political institutions must therefore take into account the social and political environment in which reforms must be carried out.³

Egypt has pinned some of its own hopes for economic recovery on additional ties with the Gulf, for example, with increased Egyptian expatriate labor to replace expelled Jordanians, Palestinians, and Yemenis. As noted above, Egypt has also professed willingness to participate in a Gulf security force, should the Gulf states ever agree on one. Beside the fact that any form of military-to-military cooperation would be of service this would give Egypt both economic rewards and political prestige in the region. Egypt hopes that the United States will exert pressure on Gulf states to remember their promises to Egypt, particularly in the areas of employment and investment.

³*Ibid.*

In the near-term, Egypt is likely to view U.S. encouragement of democratic practices in Egypt with a wary eye, especially as the Mubarak regime surveys the fallout from Algeria. Government statements indicate belief that the Algerian situation is proof that religious groups should not be allowed to form political parties. Also, political liberalization is likely to be seen as dangerous during a time in which social reforms are under way. Thus, while the United States can advocate the continued promotion of a multiparty political system, it should also expect that Egypt will not move quickly in this direction.

For Egypt, the greatest benefits will come from a successful Arab-Israeli peace process, for it has, since the Gulf War, made an Israeli-Palestinian settlement one of the highest priorities on its foreign policy agenda.⁴ Egypt sees its role as moderator and facilitator from its regained position as the politically dominant Arab state with ties on both sides. It believes that economic prosperity for the region—and for Egypt—can only come about in a stable political atmosphere. If the peace process fails, Egypt will lose domestic and regional credibility as the main Arab supporter of the U.S.-backed plan. Additionally, the balance of power in the Arab world could move away from the moderates and toward the radical camp. Bilateral relations with Israel in such areas as agriculture would also likely be frozen. Thus, Egypt looks to the United States to keep the parties at the peace table.

U.S. Relations with Syria

During the 1980s, Syria's relations with both the Arab states and the West were influenced by its Soviet backing and by its support for Iran in the Iran-Iraq War. Since the end of the war and the removal of Soviet influence from the Middle East, Syria has moved slowly toward the Arab mainstream and toward the West. Its resumption of diplomatic relations with Egypt, its support of the anti-Saddam coalition, and its cooperation with Iran in the release of the Western hostages have led to a marked improvement with the West.

Nonetheless, U.S. trade and economic sanctions have remained in place as Syrian steps toward a more moderate position are assessed. In May of 1990, for example, a small measure of wider Syrian political participation was introduced in response to activities in Eastern Europe and in the region: Parliamentary seats were increased from 195 to 250. Economically, Syria needs to replace its Soviet backer and to reduce the corruption and nepotism that characterize the

⁴Economist Intelligence Unit, *Egypt: Country Report*, London: Business International, August 1991, p. 8.

bureaucracy, and it is likely to look increasingly to the West and to the United States, at least in the short term, for both economic aid and technological assistance.

This assistance may be more forthcoming if Syria shows itself to be committed to pursuing a true peace with Israel—a commitment that is not yet in evidence. On the other hand, Syria hopes to derive a number of benefits merely from its participation at the peace talks, including a position as champion of the Palestinian cause, leader of the Arab world, and coordinator of a pan-Arab position vis-à-vis Israel and the West. Its economic position, however, combined with President Assad's pragmatism, may make Syria more amenable to influence from the United States on making tangible strides toward regional peace.

The United States thus has an economic opening to exert influence over Syria, through encouraging Gulf support and through renewing its own aid, which terminated in 1983 because of Syria's links to terrorist activities. The cut-off of aid affected USAID projects for roads, water supplies, highways and schools. All of these areas continue to be critical needs for Syria. As of this writing, Syria still remains on the U.S. terrorist list, despite its reported deportation of Venezuelan terrorist Carlos and Palestinian guerrilla leader Ahmed Jibril.⁵ This is yet another lever that the United States possesses as it seeks to ensure moderation of Syrian behavior.

U.S. Relations with Jordan

Jordan's support for the U.S.-sponsored peace effort has improved both its relations with Washington and its international standing over the past few months. But the Hashemite regime is concerned that rising unemployment and economic pressures may undermine popular support for peace if help is not forthcoming from the West to supplant vanished Saudi aid. The increasingly vocal Islamic opposition adds to the fear of social unrest and consequent instability in the kingdom and presents a potentially explosive political mixture.

Because of Jordan's central geostrategic position in the Middle East, as well as its Palestinian majority, the kingdom's political and economic stability is of more than passing concern. Jordan, more than any other state in the Middle East, is affected by external events, and its internal politics are frequently shaped by occurrences outside its own control. The thought of a Jordan spinning out of

⁵"Arab States Try to Shed Terror Stigma," *MEED*, December 13, 1991, p. 10.

control is extremely worrisome to all states in the region, including the Gulf and Israel.

Jordan thus hopes that the United States will influence the Gulf states, particularly Saudi Arabia, to resume their economic aid to both Jordan and to the Palestinians, the burden of whose support has fallen primarily on Jordan since the Gulf War. Additionally, it hopes that the United States will press the IMF to soften its demands for Jordanian austerity measures during this time of economic crisis, and it is hoping that the United States will help with write-offs on its \$8.5 billion foreign debt.

In particular, however, Jordan is hoping that the peace process will end in success and that the United States will also remain committed to this goal, despite American domestic concerns and the 1992 election. In an address to the National Congress in September of 1991, the king listed assurances received from the United States in this regard: Negotiations relating to transitional self-rule for Palestinians in the Occupied Territories would be concluded in one year; negotiations over the final status of the Territories would begin in the third year of the transitional phase; UN Security Council Resolution 242 will be applied to Arab East Jerusalem as part of the Occupied Territories, and Jerusalem's final status will be determined by negotiation.⁶ Jordan's hope is that the United States will stand behind these assurances, for the stability of the region as well as for the continued rule of the Hashemite regime.

Implications for Policy

Because of the myriad links of dependency and dominance in the Middle East, instability in Egypt, Syria or Jordan could threaten Gulf security and the subsequent security of American interests. The converse is also true: A secure regional environment affects all states and, by implication, protects U.S. interests. The job for the United States is therefore much wider and deeper than providing military forces to deal with problems that have already come to a head. The real challenge will be to seek resolutions, where possible, to existing problems and to deflect emerging ones that could affect U.S. long-term interests. It is quite likely, for example, that democratization will lead to short-term instability and to a winnowing-out process within state political systems. Because of the high value the United States places on the security of access to Gulf oil, it may be most

⁶Economist Intelligence Unit, *Jordan: Country Report*, London: Business International, October 1991, p. 10.

difficult to refrain from interference in the internal dynamics of individual states as they undergo inevitable transitions.

Indeed, it becomes clear that "cheap" oil is not really cheap at all as we ponder the political, military, and moral questions and consequences involved in dealing with the Middle East. The countries of the Levant have political objectives and interests of their own, and entrenched regimes may be quite resistant to tactics that attempt to bypass them. There is also the possibility that a transition to popular participation throughout the Middle East may produce regional policies and rulers that are inimical to U.S. interests, such as the integrity of Israel or access to oil. And there may well be gaps between U.S. interests and those of regional states, especially as the governments of these states evolve.

For these reasons, encouragement and assistance to the states of the Middle East in general and the Levant in particular must utilize a nuanced approach consisting of a realization of the interactions of states, movements, and internal politics. It may help to alleviate this risk to work through existing international, national, and regional associations and groups, such as USAID, the United Nations, the IMF, the World Bank, the reconstituted Arab League, and the GCC—which has, as one of its primary goals, economic betterment for a number of states. In addition, existing private groups, such as the American Near East Relief Aid, the American Educational Trust, the National Council on U.S.-Arab Relations, and the National U.S.-Arab Chamber of Commerce, have programs in place in the Levant that could be augmented and coordinated to produce maximum political and economic results with minimum cost to the U.S. government.

Because of the interconnections of states in the Middle East on political, economic, social, and religious levels, as well as their geographic proximity, disruption in one state almost inevitably tends to spill over and affect all states. The internal stability of Egypt, Syria, and Jordan thus becomes integral to U.S. objectives in the Middle East and the protection of American interests. While the traditional economic, religious, and security interdependencies endure, they have undergone significant alterations in the past two years. The states of the region now face a new set of potential challenges that can pose threats to regional security in general and Gulf security in particular. These challenges include the increasing influence of radical Islam on politics, continuing economic dislocations, mounting systemic pressures, and increasing divisions with and resentment of the Gulf states. The prognosis at least for the short term in the Middle East is for an uneasy calm, punctuated by periods of conflict and masking inherent and unresolved instabilities.

By addressing the problems of this region with a multiplicity of approaches, by understanding regional problems in their own context, and by judiciously choosing issues on which the United States can have the greatest impact, U.S. policy initiatives can address the causes of instability rather than its symptoms. The protection of U.S. interests will be a natural outcome of a stable region.

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